

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 895
91ST GENERAL ASSEMBLY

Reported from the Committee on Banks and Financial Institutions, April 30, 2002, with recommendation that the House Committee Substitute for Senate Bill No. 895 Do Pass.

TED WEDEL, Chief Clerk

3624L.04C

AN ACT

To repeal sections 30.270, 143.081, 148.020, 148.610, 301.560, 301.600, 301.610, 301.620, 301.630, 301.640, 301.660, 306.400, 306.405, 306.410, 306.420, 306.430, 361.700, 362.020, 362.106, 362.117, 362.170, 362.245, 362.270, 362.275, 362.335, 365.100, 367.031, 367.055, 367.518, 400.9-303, 408.140, 408.556, 408.557, 409.204, 409.402, 454.516, 525.070, 700.350, 700.355, 700.360, 700.370, 700.380, RSMo, sections 375.018 and 375.065 as enacted by house committee substitute for senate substitute for senate bill no. 193, ninety-first general assembly, first regular session and section 375.065 as enacted by conference committee substitute for house substitute for house committee substitute for senate bill no. 896, ninetieth general assembly, second regular session, and to enact in lieu thereof forty-four new sections relating to financial services, with penalty provisions and an effective date for certain sections.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 30.270, 143.081, 148.020, 148.610, 301.560, 301.600, 301.610,
2 301.620, 301.630, 301.640, 301.660, 306.400, 306.405, 306.410, 306.420, 306.430, 361.700,
3 362.020, 362.106, 362.117, 362.170, 362.245, 362.270, 362.275, 362.335, 365.100, 367.031,
4 367.055, 367.518, 400.9-303, 408.140, 408.556, 408.557, 409.204, 409.402, 454.516, 525.070,
5 700.350, 700.355, 700.360, 700.370, 700.380, RSMo, sections 375.018 and 375.065 as enacted
6 by house committee substitute for senate substitute for senate bill no. 193, ninety-first general
7 assembly, first regular session and section 375.065 as enacted by conference committee

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

8 substitute for house substitute for house committee substitute for senate bill no. 896, ninetieth
9 general assembly, second regular session, are repealed and forty-four new sections enacted in lieu
10 thereof, to be known as sections 30.270, 143.081, 148.020, 148.610, 301.560, 301.600, 301.610,
11 301.620, 301.630, 301.640, 301.660, 306.400, 306.405, 306.410, 306.420, 306.430, 361.700,
12 362.020, 362.106, 362.117, 362.170, 362.245, 362.270, 362.275, 362.335, 365.100, 367.031,
13 367.055, 367.518, 375.018, 375.065, 400.9-303, 408.140, 408.556, 408.557, 409.204, 409.402,
14 454.516, 525.070, 700.350, 700.355, 700.360, 700.370, and 700.380, to read as follows:

30.270. 1. For the security of the moneys deposited by the state treasurer pursuant to the
2 provisions of this chapter, the state treasurer shall, from time to time, submit a list of acceptable
3 securities to be approved by the governor and state auditor if satisfactory to them, and the state
4 treasurer shall require of the selected and approved banks or financial institutions as security for
5 the safekeeping and payment of deposits, securities from the list provided for in this section,
6 which list may include only securities of the following kind and character:

- 7 (1) Bonds or other obligations of the United States;
- 8 (2) Bonds or other obligations of the state of Missouri including revenue bonds issued
9 by state agencies or by state authorities created by legislative enactment;
- 10 (3) Bonds of any city in this state having a population of not less than two thousand;
- 11 (4) Bonds of any county in this state;
- 12 (5) Approved registered bonds of any school district situated in this state;
- 13 (6) Approved registered bonds of any special road district in this state;
- 14 (7) State bonds of any state;
- 15 (8) Notes, bonds, debentures or other similar obligations issued by the federal land
16 banks, federal intermediate credit banks, or banks for cooperatives or any other obligations
17 issued pursuant to the provisions of an act of the Congress of the United States known as the
18 Farm Credit Act of 1971, and acts amendatory thereto;
- 19 (9) Bonds of the federal home loan banks;
- 20 (10) Any bonds or other obligations guaranteed as to payment of principal and interest
21 by the government of the United States or any agency or instrumentality thereof;
- 22 (11) Bonds of any political subdivision established pursuant to the provisions of section
23 30, article VI, of the Constitution of Missouri;
- 24 (12) Tax anticipation notes issued by any county of the first classification;
- 25 (13) A surety bond issued by an insurance company licensed pursuant to the laws of the
26 state of Missouri whose claims-paying ability is rated in the highest category by at least one
27 nationally recognized statistical rating agency. The face amount of such surety bond shall be at
28 least equal to the portion of the deposit to be secured by the surety bond;
- 29 (14) An irrevocable standby letter of credit issued by a Federal Home Loan Bank

30 possessing the highest rating issued by at least one nationally recognized statistical rating agency;
31 **(15) Out-of-state municipal bonds of any political subdivision in adjoining counties**
32 **of any contiguous states provided such bonds are rated in the highest category by at least**
33 **one nationally recognized statistical rating agency.**

34 2. Securities deposited shall be in an amount valued at market equal at least to one
35 hundred percent of the aggregate amount on time deposit as well as on demand deposit with the
36 particular financial institution less the amount, if any, which is insured either by the Federal
37 Deposit Insurance Corporation or by the Federal Savings and Loan Insurance Corporation or by
38 the National Credit Unions Share Insurance Fund.

39 3. The securities or book entry receipts shall be delivered to the state treasurer and
40 receipted for by the state treasurer and retained by the treasurer or by financial institutions that
41 the governor, state auditor and treasurer agree upon. The state treasurer shall from time to time
42 inspect the securities and book entry receipts and see that they are actually held by the state
43 treasury or by the financial institutions selected as the state depositories. The governor and the
44 state auditor may inspect or request an accounting of the securities or book entry receipts, and
45 if in any case, or at any time, the securities are not satisfactory security for deposits made as
46 provided by law, they may require additional security to be given that is satisfactory to them.

47 4. Any securities deposited pursuant to this section may from time to time be withdrawn
48 and other securities described in the list provided for in subsection 1 of this section may be
49 substituted in lieu of the withdrawn securities with the consent of the treasurer; but a sufficient
50 amount of securities to secure the deposits shall always be held by the treasury or in the selected
51 depositories.

52 5. If a financial institution of deposit fails to pay a deposit, or any part thereof, pursuant
53 to the terms of its contract with the state treasurer, the state treasurer shall forthwith convert the
54 securities into money and disburse the same according to law.

55 6. Any financial institution making deposits of bonds with the state treasurer pursuant
56 to the provisions of this chapter may cause the bonds to be endorsed or stamped as it deems
57 proper, so as to show that they are deposited as collateral and are not transferable except upon
58 the conditions of this chapter or upon the release by the state treasurer.

143.081. 1. A resident individual, resident estate, and resident trust shall be allowed a
2 credit against the tax otherwise due [under] **pursuant to** sections 143.005 to 143.998 for the
3 amount of any income tax imposed [on him] for the taxable year by another state of the United
4 States (or a political subdivision thereof) or the District of Columbia on income derived from
5 sources therein and which is also subject to tax [under] **pursuant to** sections 143.005 to 143.998.
6 Solely for purposes of this subsection, the phrase "income tax imposed" shall include any income
7 tax credit allowed by such other state or the District of Columbia the basis for which is a

8 charitable contribution which qualifies as a charitable deduction from income pursuant to the
9 Internal Revenue Code of 1986, as amended if the other state or the District of Columbia
10 authorizes a reciprocal benefit for residents of this state.

11 2. The credit provided [under] **pursuant to** this section shall not exceed an amount
12 which bears the same ratio to the tax otherwise due [under] **pursuant to** sections 143.005 to
13 143.998 as the amount of the taxpayer's Missouri adjusted gross income derived from sources
14 in the other taxing jurisdiction bears to [his] **the taxpayer's** Missouri adjusted gross income
15 derived from all sources. In applying the limitation of the previous sentence to an estate or trust,
16 Missouri taxable income shall be substituted for Missouri adjusted gross income. If the tax of
17 more than one other taxing jurisdiction is imposed on the same item of income, the credit shall
18 not exceed the limitation that would result if the taxes of all the other jurisdictions applicable to
19 the item were deemed to be of a single jurisdiction.

20 3. For the purposes of this section, in the case of an S corporation, each resident S
21 shareholder shall be considered to have paid a tax imposed on the shareholder in an amount
22 equal to the shareholder's pro rata share of any net income tax paid by the S corporation to a state
23 which does not measure the income of shareholders on an S corporation by reference to the
24 income of the S corporation or where a composite return and composite payments are made in
25 such state on behalf of the S shareholders by the S corporation.

26 **4. For purposes of subsection 3 of this section, in the case of an S corporation that**
27 **is a bank chartered by a state, the office of thrift supervision, or the comptroller of**
28 **currency, each Missouri resident S shareholder of such out of state bank shall qualify for**
29 **the shareholder's pro rata share of any net tax paid, including a bank franchise tax based**
30 **on the income of the bank, by such S corporation where bank payment of taxes are made**
31 **in such state on behalf of the S shareholders by the S bank to the extent of the tax paid.**

148.020. For the purposes of this law the following terms shall have the following
2 meanings:

3 (1) The term "banking institution" means every bank and every trust company organized
4 under any general or special law of this state and every national banking association located in
5 this state and any branch or office physically located in this state of any commercial bank or trust
6 company;

7 (2) The term "director" means the director of revenue in charge of the state department
8 of revenue;

9 (3) The term "director of finance" means the chief officer of the present state division
10 of finance, or of such agency of the state of Missouri as may hereafter have by law the
11 supervisory duties of the present state division of finance pertaining to banks and trust companies
12 incorporated under the laws of this state;

13 (4) The term "income period" means the calendar year or relevant portion thereof next
14 preceding the taxable year;

15 (5) **The term "lease or rental of tangible personal property" means the lease or**
16 **rental of tangible personal property under the exclusive control of the lessee and neither**
17 **attached to nor functionally a part of a taxpayer's building or buildings or any part**
18 **thereof;**

19 (6) The term "taxable year" means the calendar year in which the tax is payable;

20 [(6)] (7) The term "taxpayer" means any banking institution subject to any tax imposed
21 by this law.

148.610. For the purposes of sections 148.610 to 148.700, providing for the taxation of
2 credit unions and savings and loan associations, the following terms mean:

3 (1) "Association", a savings and loan association or building and loan association
4 organized under the laws of this state, any other state, or under the laws of the United States and
5 having an office in this state;

6 (2) "Credit union", a credit union organized under section 370.010, RSMo, of the laws
7 of this state or the United States and located within this state, the principal business of which,
8 during the taxable year, consisted of receiving the savings of members and making loans to
9 members;

10 (3) "Director", the director of revenue;

11 (4) "Income period", the calendar year or relevant portion thereof next preceding the
12 taxable year;

13 (5) **The term "lease or rental of tangible personal property" means the lease or**
14 **rental of tangible personal property under the exclusive control of the lessee and neither**
15 **attached to nor functionally a part of a taxpayer's building or buildings or any part**
16 **thereof;**

17 (6) "Taxable in another state", a taxpayer is taxable in another state if, by reason of
18 business activity in another state, it is subject to and did pay one of the types of taxes specified:
19 a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of
20 doing business, or a corporate stock tax. The taxpayer must carry on business activities in
21 another state. If the taxpayer voluntarily files and pays one or more of such taxes when not
22 required to do so by the laws of that state or pays a minimal fee for qualification, organization
23 or for the privilege of doing business in that state, but does not actually engage in business
24 activities in that state, and does not have business facilities in that state or does actually engage
25 in some activity, not sufficient for nexus, and the minimum tax bears no relation to the taxpayer's
26 activities with such state, the taxpayer is not taxable in another state;

27 [(6)] (7) "Taxable year", the calendar year in which the tax is payable;

28 [(7)] (8) "Taxpayer", any credit union or savings and loan association subject to any tax
29 imposed by sections 148.600 to 148.710.

301.560. 1. In addition to the application forms prescribed by the department, each
2 applicant shall submit the following to the department:

3 (1) When the application is being made for licensure as a manufacturer, boat
4 manufacturer, motor vehicle dealer, boat dealer, wholesale motor vehicle dealer, wholesale
5 motor vehicle auction or a public motor vehicle auction, a certification by a uniformed member
6 of the Missouri state highway patrol stationed in the troop area in which the applicant's place of
7 business is located; except, that in counties of the first classification, certification may be
8 authorized by an officer of a metropolitan police department when the applicant's established
9 place of business of distributing or selling motor vehicles or trailers is in the metropolitan area
10 where the certifying metropolitan police officer is employed, that the applicant has a bona fide
11 established place of business. A bona fide established place of business for any new motor
12 vehicle franchise dealer or used motor vehicle dealer shall include a permanent enclosed building
13 or structure, either owned in fee or leased and actually occupied as a place of business by the
14 applicant for the selling, bartering, trading or exchanging of motor vehicles or trailers and
15 wherein the public may contact the owner or operator at any reasonable time, and wherein shall
16 be kept and maintained the books, records, files and other matters required and necessary to
17 conduct the business. The applicant's place of business shall contain a working telephone which
18 shall be maintained during the entire registration year. In order to qualify as a bona fide
19 established place of business for all applicants licensed pursuant to this section there shall be an
20 exterior sign displayed carrying the name [and class] of **the** business [conducted] **set forth** in
21 letters at least six inches in height and clearly visible to the public and there shall be an area or
22 lot which shall not be a public street on which one or more vehicles may be displayed, except
23 when licensure is for a wholesale motor vehicle dealer, a lot and sign shall not be required. **The**
24 **sign shall contain the name of the dealership by which it is known to the public through**
25 **advertising or otherwise, which need not be identical to the name appearing on the**
26 **dealership's license so long as such name is registered as a fictitious name with the**
27 **secretary of state, has been approved by its line-make manufacturer in writing in the case**
28 **of a new motor vehicle franchise dealer and a copy of such fictitious name registration has**
29 **been provided to the department.** When licensure is for a boat dealer, a lot shall not be
30 required. In the case of new motor vehicle franchise dealers, the bona fide established place of
31 business shall include adequate facilities, tools and personnel necessary to properly service and
32 repair motor vehicles and trailers under their franchisor's warranty;

33 (2) If the application is for licensure as a manufacturer, boat manufacturer, new motor
34 vehicle franchise dealer, used motor vehicle dealer, wholesale motor vehicle auction, boat dealer

35 or a public motor vehicle auction, a photograph, not to exceed eight inches by ten inches,
36 showing the business building and sign shall accompany the initial application. In the case of
37 a manufacturer, new motor vehicle franchise dealer or used motor vehicle dealer, the photograph
38 shall include the lot of the business. A new motor vehicle franchise dealer applicant who has
39 purchased a currently licensed new motor vehicle franchised dealership shall be allowed to
40 submit a photograph of the existing dealership building, lot and sign but shall be required to
41 submit a new photograph upon the installation of the new dealership sign as required by sections
42 301.550 to 301.573. Applicants shall not be required to submit a photograph annually unless the
43 business has moved from its previously licensed location, or unless the name of the business or
44 address has changed, or unless the class of business has changed;

45 (3) If the application is for licensure as a wholesale motor vehicle dealer or as a boat
46 dealer, the application shall contain the business address, not a post office box, and telephone
47 number of the place where the books, records, files and other matters required and necessary to
48 conduct the business are located and where the same may be inspected during normal daytime
49 business hours. Wholesale motor vehicle dealers and boat dealers shall file reports as required
50 of new franchised motor vehicle dealers and used motor vehicle dealers;

51 (4) Every applicant as a new motor vehicle franchise dealer, a used motor vehicle dealer,
52 a wholesale motor vehicle dealer, or boat dealer shall furnish with the application a corporate
53 surety bond or an irrevocable letter of credit as defined in section 400.5-103, RSMo, issued by
54 any state or federal financial institution in the penal sum of twenty-five thousand dollars on a
55 form approved by the department. The bond or irrevocable letter of credit shall be conditioned
56 upon the dealer complying with the provisions of the statutes applicable to new motor vehicle
57 franchise dealers, used motor vehicle dealers, wholesale motor vehicle dealers and boat dealers,
58 and the bond shall be an indemnity for any loss sustained by reason of the acts of the person
59 bonded when such acts constitute grounds for the suspension or revocation of the dealer's license.
60 The bond shall be executed in the name of the state of Missouri for the benefit of all aggrieved
61 parties or the irrevocable letter of credit shall name the state of Missouri as the beneficiary;
62 except, that the aggregate liability of the surety or financial institution to the aggrieved parties
63 shall, in no event, exceed the amount of the bond or irrevocable letter of credit. The proceeds
64 of the bond or irrevocable letter of credit shall be paid upon receipt by the department of a final
65 judgment from a Missouri court of competent jurisdiction against the principal and in favor of
66 an aggrieved party;

67 (5) Payment of all necessary license fees as established by the department. In
68 establishing the amount of the annual license fees, the department shall, as near as possible,
69 produce sufficient total income to offset operational expenses of the department relating to the
70 administration of sections 301.550 to 301.573. All fees payable pursuant to the provisions of

71 sections 301.550 to 301.573, other than those fees collected for the issuance of dealer plates or
72 certificates of number collected pursuant to subsection 6 of this section, shall be collected by the
73 department for deposit in the state treasury to the credit of the "Motor Vehicle Commission
74 Fund", which is hereby created. The motor vehicle commission fund shall be administered by
75 the Missouri department of revenue. The provisions of section 33.080, RSMo, to the contrary
76 notwithstanding, money in such fund shall not be transferred and placed to the credit of the
77 general revenue fund until the amount in the motor vehicle commission fund at the end of the
78 biennium exceeds two times the amount of the appropriation from such fund for the preceding
79 fiscal year or, if the department requires permit renewal less frequently than yearly, then three
80 times the appropriation from such fund for the preceding fiscal year. The amount, if any, in the
81 fund which shall lapse is that amount in the fund which exceeds the multiple of the appropriation
82 from such fund for the preceding fiscal year.

83 2. In the event a new manufacturer, boat manufacturer, motor vehicle dealer, wholesale
84 motor vehicle dealer, boat dealer, wholesale motor vehicle auction or a public motor vehicle
85 auction submits an application for a license for a new business and the applicant has complied
86 with all the provisions of this section, the department shall make a decision to grant or deny the
87 license to the applicant within eight working hours after receipt of the dealer's application,
88 notwithstanding any rule of the department.

89 3. Upon the initial issuance of a license by the department, the department shall assign
90 a distinctive dealer license number or certificate of number to the applicant and the department
91 shall issue one number plate or certificate bearing the distinctive dealer license number or
92 certificate of number within eight working hours after presentment of the application. Upon the
93 renewal of a boat dealer, boat manufacturer, manufacturer, motor vehicle dealer, public motor
94 vehicle auction, wholesale motor vehicle dealer or wholesale motor vehicle auction, the
95 department shall issue the distinctive dealer license number or certificate of number as quickly
96 as possible. The issuance of such distinctive dealer license number or certificate of number shall
97 be in lieu of registering each motor vehicle, trailer, vessel or vessel trailer dealt with by a boat
98 dealer, boat manufacturer, manufacturer, public motor vehicle auction, wholesale motor vehicle
99 dealer, wholesale motor vehicle auction or motor vehicle dealer.

100 4. Notwithstanding any other provision of the law to the contrary, the department shall
101 assign the following distinctive dealer license numbers to:

102

103 New motor vehicle franchise dealers D-0 through D-999
104 New motor vehicle franchise and commercial motor vehicle dealers D-1000 through D-1999
105 Used motor vehicle dealers D-2000 through D-5399 and D-6000 through D-9999
106 Wholesale motor vehicle dealers W-1000 through W-1999

| | | |
|-----|---|-----------------------|
| 107 | Wholesale motor vehicle auctions | W-2000 through W-2999 |
| 108 | Trailer dealers | T-0 through T-9999 |
| 109 | Motor vehicle and trailer manufacturers | M-0 through M-9999 |
| 110 | Motorcycle dealers | D-5400 through D-5999 |
| 111 | Public motor vehicle auctions | A-1000 through A-1999 |
| 112 | Boat dealers and boat manufacturers | B-0 through B-9999 |

113 5. Upon the sale of a currently licensed new motor vehicle franchise dealership the
114 department shall, upon request, authorize the new approved dealer applicant to retain the selling
115 dealer's license number and shall cause the new dealer's records to indicate such transfer.

116 6. In the case of manufacturers and motor vehicle dealers, the department shall also issue
117 one number plate bearing the distinctive dealer license number to the applicant upon payment
118 by the manufacturer or dealer of a fifty-dollar fee. Such license plates shall be made with fully
119 reflective material with a common color scheme and design, shall be clearly visible at night, and
120 shall be aesthetically attractive, as prescribed by section 301.130. Boat dealers and boat
121 manufacturers shall be entitled to one certificate of number bearing such number upon the
122 payment of a fifty-dollar fee. As many additional number plates as may be desired by
123 manufacturers and motor vehicle dealers and as many additional certificates of number as may
124 be desired by boat dealers and boat manufacturers may be obtained upon payment of a fee of ten
125 dollars and fifty cents for each additional plate or certificate. A motor vehicle dealer, boat dealer,
126 manufacturer, boat manufacturer, public motor vehicle auction, wholesale motor vehicle dealer
127 or wholesale motor vehicle auction obtaining a dealer license plate or certificate of number or
128 additional license plate or additional certificate of number, throughout the calendar year, shall
129 be required to pay a fee for such license plates or certificates of number computed on the basis
130 of one-twelfth of the full fee prescribed for the original and duplicate number plates or
131 certificates of number for such dealers' licenses, multiplied by the number of months remaining
132 in the licensing period for which the dealer or manufacturers shall be required to be licensed.
133 In the event of a renewing dealer, the fee due at the time of renewal shall not be prorated.

134 7. The plates issued pursuant to subsection 3 or 6 of this section may be displayed on any
135 motor vehicle owned and held for resale by the motor vehicle dealer or manufacturer, and used
136 by a customer who is test driving the motor vehicle, or is used by an employee or officer, but
137 shall not be displayed on any motor vehicle or trailer hired or loaned to others or upon any
138 regularly used service or wrecker vehicle. Motor vehicle dealers may display their dealer plates
139 on a tractor, truck or trailer to demonstrate a vehicle under a loaded condition.

140 8. The certificates of number issued pursuant to subsection 3 or 6 of this section may be
141 displayed on any vessel or vessel trailer owned and held for resale by a boat manufacturer or a
142 boat dealer, and used by a customer who is test driving the vessel or vessel trailer, or is used by

143 an employee or officer, but shall not be displayed on any vessel or vessel trailer hired or loaned
144 to others or upon any regularly used service vessel or vessel trailer. Boat dealers and
145 manufacturers may display their certificate of number on a vessel or vessel trailer which is being
146 transported to an exhibit or show.

301.600. 1. Unless excepted by section 301.650, a lien or encumbrance on a motor
2 vehicle or trailer, as defined by section 301.010, is not valid against subsequent transferees or
3 lienholders of the motor vehicle or trailer who took without knowledge of the lien or
4 encumbrance unless the lien or encumbrance is perfected as provided in sections 301.600 to
5 301.660.

6 2. Subject to the provisions of section 301.620, a lien or encumbrance on a motor vehicle
7 or trailer is perfected by the delivery to the director of revenue of a notice of a lien in a format
8 as prescribed by the director of revenue. To perfect a subordinate lien, the notice of lien must
9 be accompanied by the documents required to be delivered to the director pursuant to subdivision
10 (3) of section 301.620. The notice of lien is perfected as of the time of its creation if the delivery
11 of such notice to the director of revenue is completed within thirty days thereafter, otherwise as
12 of the time of the delivery. A notice of lien shall contain the name and address of the owner of
13 the motor vehicle or trailer and the secured party, a description of the motor vehicle or trailer,
14 including the vehicle identification number, and such other information as the department of
15 revenue may prescribe. A notice of lien substantially complying with the requirements of this
16 section is effective even though it contains minor errors which are not seriously misleading.
17 **Provided the lienholder submits complete and legible documents, the director of revenue**
18 **shall mail confirmation or electronically confirm receipt of such notice of lien to the**
19 **lienholder as soon as possible, but no later than fifteen business days after the filing of the**
20 **notice of lien.**

21 3. Liens may secure future advances. The future advances may be evidenced by one or
22 more notes or other documents evidencing indebtedness and shall not be required to be executed
23 or delivered prior to the date of the future advance lien securing them. The fact that a lien may
24 secure future advances shall be clearly stated on the security agreement and noted as "subject to
25 future advances" on the notice of lien and noted on the certificate of ownership if the motor
26 vehicle or trailer is subject to only one notice of lien. To secure future advances when an
27 existing lien on a motor vehicle or trailer does not secure future advances, the lienholder shall
28 file a notice of lien reflecting the lien to secure future advances. A lien to secure future advances
29 is perfected in the same time and manner as any other lien, except as follows: proof of the lien
30 for future advances is maintained by the department of revenue; however, there shall be
31 additional proof of such lien when the notice of lien reflects such lien for future advances, is
32 receipted for by the department of revenue, and returned to the lienholder.

33 4. If a motor vehicle or trailer is subject to a lien or encumbrance when brought into this
34 state, the validity and effect of the lien or encumbrance is determined by the law of the
35 jurisdiction where the motor vehicle or trailer was when the lien or encumbrance attached,
36 subject to the following:

37 (1) If the parties understood at the time the lien or encumbrance attached that the motor
38 vehicle or trailer would be kept in this state and it was brought into this state within thirty days
39 thereafter for purposes other than transportation through this state, the validity and effect of the
40 lien or encumbrance in this state is determined by the law of this state;

41 (2) If the lien or encumbrance was perfected pursuant to the law of the jurisdiction where
42 the motor vehicle or trailer was when the lien or encumbrance attached, the following rules
43 apply:

44 (a) If the name of the lienholder is shown on an existing certificate of title or ownership
45 issued by that jurisdiction, the lien or encumbrance continues perfected in this state;

46 (b) If the name of the lienholder is not shown on an existing certificate of title or
47 ownership issued by that jurisdiction, the lien or encumbrance continues perfected in this state
48 three months after a first certificate of ownership of the motor vehicle or trailer is issued in this
49 state, and also thereafter if, within the three-month period, it is perfected in this state. The lien
50 or encumbrance may also be perfected in this state after the expiration of the three-month period;
51 in that case perfection dates from the time of perfection in this state;

52 (3) If the lien or encumbrance was not perfected pursuant to the law of the jurisdiction
53 where the motor vehicle or trailer was when the lien or encumbrance attached, it may be
54 perfected in this state; in that case perfection dates from the time of perfection in this state;

55 (4) A lien or encumbrance may be perfected pursuant to paragraph (b) of subdivision (2)
56 or subdivision (3) of this subsection either as provided in subsection 2 or 3 of this section or by
57 the lienholder delivering to the director of revenue a notice of lien or encumbrance in the form
58 the director of revenue prescribes and the required fee.

59 5. By rules and regulations, the director of revenue shall establish a security procedure
60 for the purpose of verifying that an electronic notice of lien or notice of satisfaction of a lien on
61 a motor vehicle or trailer given as permitted in sections 301.600 to 301.640 is that of the
62 lienholder, verifying that an electronic notice of confirmation of ownership and perfection of a
63 lien given as required in section 301.610 is that of the director of revenue, and detecting error
64 in the transmission or the content of any such notice. A security procedure may require the use
65 of algorithms or other codes, identifying words or numbers, encryption, callback procedures or
66 similar security devices. Comparison of a signature on a communication with an authorized
67 specimen signature shall not by itself be a security procedure.

301.610. 1. A certificate of ownership of a motor vehicle or trailer when issued by the

2 director of revenue shall be mailed or confirmation of such ownership shall be electronically
3 transmitted or mailed to the [first lienholder named in such certificate; and if no lienholder is
4 shown, then the certificate of ownership shall be mailed to the] owner shown on the face of the
5 title of such motor vehicle or trailer.

6 2. A lienholder may elect that the director of revenue retain possession of an electronic
7 certificate of ownership, and the director shall issue regulations to cover the procedure by which
8 such election is made. Each such certificate of ownership shall require a separate election, unless
9 the director provides otherwise by regulation. A subordinate lienholder shall be bound by the
10 election of the superior lienholder with respect to the certificate involved.

11 3. "Electronic certificate of ownership" means any electronic record of ownership,
12 including a lien or liens that may be recorded.

301.620. If an owner creates a lien or encumbrance on a motor vehicle or trailer:

2 (1) The owner shall immediately execute the application, in the space provided therefor
3 on the certificate of ownership or on a separate form the director of revenue prescribes, to name
4 the lienholder on the certificate, showing the name and address of the lienholder and the date of
5 the lienholder's security agreement, and cause the certificate, application and the required fee to
6 be delivered to the director of revenue;

7 (2) The lienholder or an authorized agent licensed pursuant to sections 301.112 to
8 301.119 shall deliver to the director of revenue a notice of lien as prescribed by the director
9 accompanied by all other necessary documentation to perfect a lien as provided in section
10 301.600;

11 (3) [Upon request of the owner or subordinate lienholder, a lienholder in possession of
12 the certificate of ownership shall either mail or deliver the certificate to the subordinate
13 lienholder for delivery to the director of revenue or, upon receipt from the subordinate lienholder
14 of the owner's application, the certificate and the required fee, mail or deliver them to the director
15 of revenue with the certificate. The delivery of the certificate does not affect the rights of the
16 first lienholder under the security agreement] **To perfect a lien for a subordinate lienholder
17 when a transfer of ownership occurs, the subordinate lienholder shall either mail or deliver
18 or cause to be mailed or delivered, a completed notice of lien to the department of revenue,
19 accompanied by authorization from the first lienholder. The owner shall ensure the
20 subordinate lienholder is recorded on the application for title at the time the application
21 is made to the department of revenue. To perfect a lien for a subordinate lienholder when
22 there is no transfer of ownership, the owner or lienholder in possession of the certificate,
23 shall either mail or deliver or cause to be mailed or delivered, the owner's application for
24 title, certificate, notice of lien, authorization from the first lienholder and title fee to the
25 department of revenue. The delivery of the certificate and executing a notice of**

26 **authorization to add a subordinate lien does not affect the rights of the first lienholder**
27 **under the security agreement;**

28 (4) Upon receipt of the [certificate, application and the required fee] **documents and fee**
29 **required in subdivision (3) of this section**, the director of revenue shall issue a new certificate
30 of ownership containing the name and address of the new lienholder, and shall mail the
31 certificate as prescribed in section 301.610 or if a lienholder who has elected for the director of
32 revenue to retain possession of an electronic certificate of ownership the lienholder shall either
33 mail or deliver to the director a notice of authorization for the director to add a subordinate
34 lienholder to the existing certificate. Upon receipt of such authorization [and], a notice of lien
35 **and required documents and title fee, if applicable**, from a subordinate lienholder, the director
36 shall add the subordinate lienholder to the certificate of ownership being electronically retained
37 by the director and provide confirmation of the addition to both lienholders;

38 (5) **Failure of the owner to name the lienholder in the application for title, as**
39 **provided in this section is a class A misdemeanor.**

301.630. 1. A lienholder may assign, absolutely or otherwise, his or her lien or
2 encumbrance in the motor vehicle or trailer to a person other than the owner without affecting
3 the interest of the owner or the validity or effect of the lien or encumbrance, but any person
4 without notice of the assignment is protected in dealing with the lienholder as the holder of the
5 lien or encumbrance and the lienholder remains liable for any obligations as lienholder until the
6 assignee is named as lienholder on the certificate.

7 2. The assignee may, but need not [to] perfect the assignment, have the certificate of
8 ownership endorsed or issued with the assignee named as lienholder, upon delivering to the
9 director of revenue the certificate and an assignment by the lienholder named in the certificate
10 in the form the director of revenue prescribes the application and the required fee.

11 3. If the certificate of ownership is being electronically retained by the director of
12 revenue, the original lienholder may mail or deliver a notice of assignment of a lien to the
13 director in a form prescribed by the director. Upon receipt of notice of assignment the director
14 shall update the electronic certificate of ownership to reflect the assignment of the lien and
15 lienholder.

301.640. 1. Upon the satisfaction of any lien or encumbrance of a motor vehicle or
2 trailer [for which the certificate of ownership is in possession of the lienholder], the lienholder
3 shall, within ten business days release the lien or encumbrance on the certificate **or a separate**
4 **document**, and mail or deliver the certificate [to the next lienholder named therein, or, if none,]
5 **or a separate document** to the owner or any person who delivers to the lienholder an
6 authorization from the owner to receive the certificate **or such documentation. The release on**
7 **the certificate or separate document shall be notarized. Each perfected subordinate**

8 **lienholder if any, shall release such lien or encumbrance as provided in this section for the**
9 **first lienholder.** The owner may cause the certificate to be mailed or delivered to the director
10 of revenue, who shall issue a new certificate of ownership upon application and payment of the
11 required fee. A lien or encumbrance shall be satisfied for the purposes of this section when a
12 lienholder receives payment in full in the form of certified funds, as defined in section 381.410,
13 RSMo.

14 2. If the electronic certificate of ownership is in the possession of the director of revenue,
15 the lienholder shall notify the director within ten business days of any release of a lien and
16 provide the director with the most current address of the owner. The director shall note such
17 release on the electronic certificate and if no other lien exists the director shall mail or deliver
18 the certificate free of any lien to the owner.

19 3. [Upon the satisfaction of any lien or encumbrance in a motor vehicle or trailer for
20 which a certificate is in possession of a prior lienholder, the lienholder whose lien or
21 encumbrance is satisfied shall within ten business days release the lien or encumbrance on the
22 certificate and deliver the certificate to the owner or any person who delivers to the lienholder
23 an authorization from the owner to receive it. The lienholder in possession of the certificate shall
24 at the request of the owner and upon surrender of the certificate of title by the owner and receipt
25 of the required fee, either mail or deliver the certificate of ownership to the director of revenue,
26 or deliver the certificate to the owner, or the person authorized by the owner, for delivery to the
27 director of revenue, who shall issue a new certificate.

28 4.] If the purchase price of a motor vehicle or trailer did not exceed six thousand dollars
29 at the time of purchase, a lien or encumbrance which was not perfected by a motor vehicle
30 financing corporation whose net worth exceeds one hundred million dollars, or a depository
31 institution, shall be considered satisfied within six years from the date the lien or encumbrance
32 was originally perfected unless a new lien or encumbrance has been perfected as provided in
33 section 301.600. This subsection does not apply to motor vehicles or trailers for which the
34 certificate of ownership has recorded in the second lienholder portion the words "subject to
35 future advances".

36 [5.] **4.** Any lienholder who fails to comply with subsection 1[,] **or 2** [or 3] of this section
37 shall pay to the person or persons satisfying the lien or encumbrance twenty-five dollars for the
38 first ten business days after expiration of the time period prescribed in subsection 1[,] **or 2** [or
39 3] of this section, and such payment shall double for each ten days thereafter in which there is
40 continued noncompliance, up to a maximum of five hundred dollars for each lien. If delivery
41 of the certificate **or other lien release** is made by mail, the delivery date is the date of the
42 postmark for purposes of this subsection.

301.660. All transactions involving liens or encumbrances on motor vehicles or trailers

2 entered into before [July 1, 1991] **August 28, 2002**, and the rights, duties and interests flowing
3 from them remain valid thereafter and may be terminated, completed, consummated or enforced
4 as required or permitted by any statute or other law amended or repealed by sections 301.600 to
5 301.660 as though the repeal or amendment had not occurred.

306.400. 1. As used in sections 306.400 to 306.440, the terms "motorboat", "vessel",
2 and "watercraft" shall have the same meanings given them in section 306.010, and the term
3 "outboard motor" shall include outboard motors governed by section 306.530.

4 2. Unless excepted by section 306.425, a lien or encumbrance on an outboard motor,
5 motorboat, vessel, or watercraft shall not be valid against subsequent transferees or lienholders
6 of the outboard motor, motorboat, vessel or watercraft, who took without knowledge of the lien
7 or encumbrance unless the lien or encumbrance is perfected as provided in sections 306.400 to
8 306.430.

9 3. A lien or encumbrance on an outboard motor, motorboat, vessel or watercraft is
10 perfected by the delivery to the director of revenue of a notice of lien in a format as prescribed
11 by the director. Such lien or encumbrance shall be perfected as of the time of its creation if the
12 delivery of the items required in this subsection to the director of revenue is completed within
13 thirty days thereafter, otherwise such lien or encumbrance shall be perfected as of the time of the
14 delivery. A notice of lien shall contain the name and address of the owner of the outboard motor,
15 motorboat, vessel or watercraft and the secured party, a description of the outboard motor,
16 motorboat, vessel or watercraft motor, including any identification number, and such other
17 information as the department of revenue may prescribe. A notice of lien substantially
18 complying with the requirements of this section is effective even though it contains minor errors
19 which are not seriously misleading. **Provided the lienholder submits complete and legible**
20 **documents, the director of revenue shall mail confirmation or electronically confirm**
21 **receipt of each notice of lien to the lienholder as soon as possible, but no later than fifteen**
22 **business days after the filing of the notice of lien.**

23 4. Liens may secure future advances. The future advances may be evidenced by one or
24 more notes or other documents evidencing indebtedness and shall not be required to be executed
25 or delivered prior to the date of the future advance lien securing them. The fact that a lien may
26 secure future advances shall be clearly stated on the security agreement and noted as "subject to
27 future advances" in the second lienholder's portion of the notice of lien. To secure future
28 advances when an existing lien on an outboard motor, motorboat, vessel or watercraft does not
29 secure future advances, the lienholder shall file a notice of lien reflecting the lien to secure future
30 advances. A lien to secure future advances is perfected in the same time and manner as any other
31 lien, except as follows. Proof of the lien for future advances is maintained by the department of
32 revenue; however, there shall be additional proof of such lien when the notice of lien reflects

33 such lien for future advances, is receipted for by the department of revenue, and returned to the
34 lienholder.

35 5. Whether an outboard motor, motorboat, vessel, or watercraft is subject to a lien or
36 encumbrance shall be determined by the laws of the jurisdiction where the outboard motor,
37 motorboat, vessel, or watercraft was when the lien or encumbrance attached, subject to the
38 following:

39 (1) If the parties understood at the time the lien or encumbrances attached that the
40 outboard motor, motorboat, vessel, or watercraft would be kept in this state and it is brought into
41 this state within thirty days thereafter for purposes other than transportation through this state,
42 the validity and effect of the lien or encumbrance in this state shall be determined by the laws
43 of this state;

44 (2) If the lien or encumbrance was perfected pursuant to the laws of the jurisdiction
45 where the outboard motor, motorboat, vessel, or watercraft was when the lien or encumbrance
46 attached, the following rules apply:

47 (a) If the name of the lienholder is shown on an existing certificate of title or ownership
48 issued by that jurisdiction, his or her lien or encumbrance continues perfected in this state;

49 (b) If the name of the lienholder is not shown on an existing certificate of title or
50 ownership issued by the jurisdiction, the lien or encumbrance continues perfected in this state
51 for three months after the first certificate of title of the outboard motor, motorboat, vessel, or
52 watercraft is issued in this state, and also thereafter if, within the three-month period, it is
53 perfected in this state. The lien or encumbrance may also be perfected in this state after the
54 expiration of the three-month period, in which case perfection dates from the time of perfection
55 in this state;

56 (3) If the lien or encumbrance was not perfected pursuant to the laws of the jurisdiction
57 where the outboard motor, motorboat, vessel, or watercraft was when the lien or encumbrance
58 attached, it may be perfected in this state, in which case perfection dates from the time of
59 perfection in this state;

60 (4) A lien or encumbrance may be perfected pursuant to paragraph (b) of subdivision (2)
61 or subdivision (3) of this subsection in the same manner as provided in subsection 3 of this
62 section.

63 6. The director of revenue shall by rules and regulations establish a security procedure
64 to verify that an electronic notice or lien or notice of satisfaction of a lien on an outboard motor,
65 motorboat, vessel or watercraft given pursuant to sections 306.400 to 306.440 is that of the
66 lienholder, to verify that an electronic notice of confirmation of ownership and perfection of a
67 lien given pursuant to section 306.410 is that of the director of revenue and to detect error in the
68 transmission or the content of any such notice. Such a security procedure may require the use

69 of algorithms or other codes, identifying words or numbers, encryption, callback procedures or
70 similar security devices. Comparison of a signature on a communication with an authorized
71 specimen signature shall not by itself constitute a security procedure.

306.405. 1. All certificates of title of an outboard motor, motorboat, vessel, or watercraft
2 issued by the director of revenue shall be mailed or confirmation of such ownership shall be
3 electronically transmitted [or mailed to the first lienholder named in such certificate or, if no
4 lienholder is named,] to the owner named therein.

5 2. A lienholder may elect to have the director of revenue retain possession of an
6 electronic certificate of title and the director shall issue regulations to govern the procedure for
7 making such an election. Each such certificate of title shall require a separate election unless the
8 director provides otherwise by regulation. A subordinate lienholder shall be bound by the
9 election of the superior lienholder with respect to the certificate involved.

10 3. "Electronic certificate of title" means any electronic record of ownership, including
11 liens that may be recorded.

306.410. If an owner creates a lien or encumbrance on an outboard motor, motorboat,
2 vessel, or watercraft:

3 (1) The owner shall immediately execute the application, either in the space provided
4 therefor on the certificate of title or on a separate form the director of revenue prescribes, to
5 name the lienholder on the certificate of title, showing the name and address of the lienholder
6 and the date of his or her security agreement, and shall cause the certificate of title, the
7 application and the required fee to be mailed or delivered to the director of revenue. Failure of
8 the owner to do so is a class A misdemeanor;

9 (2) The lienholder or an authorized agent licensed pursuant to sections 301.112 to
10 301.119, RSMo, shall deliver to the director of revenue a notice of lien as prescribed by the
11 director accompanied by all other necessary documentation to perfect a lien pursuant to section
12 306.400;

13 (3) [Upon request of the owner or subordinate lienholder, a lienholder in possession of
14 the certificate of title who receives the owner's application and required fee shall mail or deliver
15 the certificate of title, application, and fee to the director of revenue, unless such certificate of
16 title secures future advance liens. The delivery of the certificate of title to the director of revenue
17 shall not affect the rights of the first lienholder under his or her security agreement] **to perfect
18 a lien for a subordinate lienholder when a transfer or ownership occurs, the subordinate
19 lienholder shall either mail or deliver or cause to be mailed or delivered, a completed notice
20 of lien to the department or revenue, accompanied by authorization from the first
21 lienholder. The owner shall ensure the subordinate lienholder is recorded on the
22 application for title at the time the application is made to the department of revenue. To**

23 **perfect a lien for a subordinate lienholder when there is no transfer of ownership, the**
24 **owner or lienholder in possession of the certificate, shall either mail or deliver or cause to**
25 **be mailed or delivered, the owner's application for title, certificate, notice of lien,**
26 **authorization from the first lienholder and title fee to the department of revenue. The**
27 **delivery of the certificate and executing a notice of authorization to add a subordinate lien**
28 **does not affect the rights of the first lienholder under the security agreement;**

29 (4) Upon receipt of the [certificate of title, application and the required fee] **documents**
30 **and fee required in subdivision (3) of this section**, the director of revenue shall issue a new
31 certificate of title containing the name and address of the new lienholder, and mail the certificate
32 of title to the first lienholder named in it or if a lienholder has elected to have the director of
33 revenue retain possession of an electronic certificate of title, the lienholder shall either mail or
34 deliver to the director a notice of authorization for the director to add a subordinate lienholder
35 to the existing certificate **as prescribed in section 306.405**. Upon receipt of such authorization
36 and a notice of lien from a subordinate lienholder, the director shall add the subordinate
37 lienholder to the certificate of title being electronically retained by the director and provide
38 confirmation of the addition to both lienholders.

306.420. 1. Upon the satisfaction of a lien or encumbrance on an outboard motor,
2 motorboat, vessel, or watercraft [for which the certificate of title is in the possession of the
3 lienholder and provided the owner waives any rights to future advances subject to a lien in this
4 chapter], the lienholder shall, within ten days [after demand and, in any event, within thirty days,]
5 execute a release of his or her lien or encumbrance, **on the certificate or separate document**,
6 and mail or deliver the certificate [and release to the next lienholder named therein, or, if no
7 other lienholder is so named,] **or separate document** to the owner or any person who delivers
8 to the lienholder an authorization from the owner to receive the [certificate.] **documentation**.
9 **The release on the certificate or separate document shall be notarized. Each perfected**
10 **subordinate lienholder, if any, shall release such lien or encumbrance as provided in this**
11 **section for the first lienholder.** The owner may cause the certificate of title, the release, and
12 the required fee to be mailed or delivered to the director of revenue, who shall release the
13 lienholder's rights on the certificate and issue a new certificate of title.

14 2. [Upon the satisfaction of a second or third lien or encumbrance on an outboard motor,
15 motorboat, vessel, or watercraft for which the certificate of title is in the possession of the first
16 lienholder, the lienholder whose lien or encumbrance is satisfied shall, within ten days after
17 demand, and, in any event, within thirty days, execute a release and deliver the release to the
18 owner or any person who delivers to the lienholder an authorization from the owner to receive
19 it. The lienholder in possession of the certificate of title shall, at the request of the owner and
20 upon receipt of the release and the required fee, either mail or deliver the certificate, the release,

21 and the required fee to the director of revenue, or deliver the certificate of title to the owner, or
22 the person authorized by him or her, for delivery of the certificate, the release and required fee
23 to the director of revenue, who shall release the subordinate lienholder's rights on the certificate
24 of title and issue a new certificate of title.

25 3.] If the electronic certificate of title is in the possession of the director of revenue, the
26 lienholder shall notify the director within ten business days of any release of lien and provide the
27 director with the most current address of the owner. The director shall note such release on the
28 electronic certificate and if no other lien exists, the director shall mail or deliver the certificate
29 free of any lien to the owner.

306.430. All transactions involving liens or encumbrances on outboard motors,
2 motorboats, vessels, or watercraft entered into before [April 1, 1986] **August 28, 2002**, and the
3 rights, duties, and interests flowing from such transactions shall remain valid after [April 1,
4 1986] **August 28, 2002**, and may be terminated, completed, consummated, or enforced as
5 required or permitted by any statute or other law amended or repealed by sections 306.400 to
6 306.430 as though such repeal or amendment had not occurred.

361.700. 1. Sections 361.700 to 361.727 shall be known and may be cited as the "Sale
2 of Checks Law".

3 2. For the purposes of sections 361.700 to 361.727, the following terms mean:

4 (1) "Check", any instrument for the transmission or payment of money **and shall also**
5 **include any electronic means of transmitting or paying money;**

6 (2) "Director", the director of the division of finance;

7 (3) "Licensee", any person duly licensed by the director pursuant to sections 361.700 to
8 361.727;

9 (4) "Person", any individual, partnership, association, trust or corporation.

362.020. 1. The articles of agreement mentioned in this chapter shall set out:

2 (1) The corporate name of the proposed corporation. The corporate name shall not be
3 a name, or an imitation of a name, used within the preceding fifty years as a corporate title of a
4 bank or trust company incorporated in this state;

5 (2) The name of the city or town and county in this state in which the corporation is to
6 be located;

7 (3) The amount of the capital stock of the corporation, the number of shares into which
8 it is divided, and the par value thereof; that the same has been subscribed in good faith and all
9 thereof actually paid up in lawful money of the United States and is in the custody of the persons
10 named as the first board of directors or managers;

11 (4) The names and places of residences of the several shareholders and number of shares
12 subscribed by each;

- 13 (5) The number and the names of the first directors;
14 (6) The purposes for which the corporation is formed;
15 (7) **Any provisions relating to the preemptive rights of a shareholder as provided**
16 **in section 351.305, RSMo.**

17 2. The articles of agreement may designate the number of directors necessary to
18 constitute a quorum, and may provide for the number of years the corporation is to continue, or
19 may provide that the existence of the corporation shall continue until the corporation shall be
20 dissolved by consent of the stockholders or by proceedings instituted by the state under any
21 statute now in force or hereafter enacted.

362.106. In addition to the powers authorized by section 362.105:

- 2 (1) A bank or trust company may exercise all powers necessary, proper or convenient
3 to effect any of the purposes for which the bank or trust company has been formed and any
4 powers incidental to the business of banking;
5 (2) A bank or trust company may offer any direct and indirect benefits to a bank
6 customer for the purpose of attracting deposits or making loans, provided said benefit is not
7 otherwise prohibited by law, and the income or expense of such activity is nominal;
8 (3) Notwithstanding any other law to the contrary, every bank or trust company created
9 under the laws of this state may, for a fee or other consideration, directly or through a subsidiary
10 company, and upon complying with any applicable licensing statute, acquire and hold the voting
11 stock of one or more corporations the activities of which are managing or owning agricultural
12 property, **owning and leasing governmental structures except as limited by other law,**
13 subdividing and developing real property and building residential housing or commercial
14 improvements on such property, and owning, renting, leasing, managing, operating for income
15 and selling such property; provided that, the total of all investments, loans and guarantees made
16 pursuant to the authority of this subdivision shall not exceed five percent of the total assets of
17 the bank or trust company as shown on the next preceding published report of such bank or trust
18 company to the director of finance, unless the director of the division of finance approves a
19 higher percentage by regulation, but in no event shall such percentage exceed that allowed
20 national banks by the appropriate regulatory authority, and, in addition to the investments
21 permitted by this subdivision, a bank or trust company may extend credit, not to exceed the
22 lending limits of section 362.170, to each of the corporations in which it has invested. No
23 provision of this section authorizes a bank or trust company to own or operate, directly or
24 through a subsidiary company, a real estate brokerage company;
25 (4) Notwithstanding any other law to the contrary except for bank regulatory powers in
26 chapter 361, RSMo, powers incidental to the business of banking shall include the authority of
27 every Missouri bank, for a fee or other consideration, and upon complying with any applicable

28 licensing and registration law, to conduct any activity that national banks are expressly
29 authorized by federal law to conduct, if such Missouri bank meets the prescribed standards,
30 provided that powers conferred by this subdivision:

31 (a) Shall always be subject to the same limitations applicable to a national bank for
32 conducting the activity;

33 (b) Shall be subject to applicable Missouri insurance law;

34 (c) Shall be subject to applicable Missouri licensing and registration law for the activity;

35 (d) Shall be subject to the same treatment prescribed by federal law; and any enabling
36 federal law declared invalid by a court of competent jurisdiction or by the responsible federal
37 chartering agency shall be invalid for the purposes of this subdivision; and

38 (e) May be exercised by a Missouri bank after that institution has notified the director
39 of its intention to exercise such specific power at the close of the notice period and the director,
40 in response, has made a determination that the proposed activity is not an unsafe or unsound
41 practice and such institution meets the prescribed standards required for the activity permitted
42 national banks in the interpretive letter. The director may either take no action or issue an
43 interpretive letter to the institution more specifically describing the activity permitted, and any
44 limitations on such activity. The notice provided by the institution requesting such activity shall
45 include copies of the specific law authorizing the power for national banks, and documentation
46 indicating that such institution meets the prescribed standards. The notice period shall be thirty
47 days but the director may extend it for an additional sixty days. After a determination has been
48 made authorizing any activity pursuant to this subdivision, any Missouri bank may exercise such
49 power as provided in subdivision (5) of this section without giving notice;

50 (5) When a determination is made pursuant to paragraph (e) of subdivision (4) of this
51 section, the director shall issue a public interpretative letter or statement of no action regarding
52 the specific power authorized pursuant to subdivision (4) of this section; such interpretative
53 letters and statements of no action shall be made with the name of the specific institution and
54 related identifying facts deleted. Such interpretative letters and statements of no action shall be
55 published on the division of finance public Internet web site, and filed with the office of the
56 secretary of state for ten days prior to effectiveness. Any other Missouri bank may exercise any
57 power approved by interpretative letter or statement of no action of the director pursuant to this
58 subdivision; provided, the institution meets the requirements of the interpretative letter or
59 statement of no action and the prescribed standards required for the activity permitted national
60 banks in the interpretive letter. Such Missouri bank shall not be required to give the notice
61 pursuant to paragraph (e) of subdivision (4) of this section. For the purposes of this subdivision
62 and subdivision (4) of this section, "activity" shall mean the offering of any product or service
63 or the conducting of any other activity; "federal law" shall mean any federal statute or regulation

64 or an interpretive letter issued by the Office of the Comptroller of the Currency; "Missouri bank"
65 shall mean any bank or trust company created pursuant to the laws of this state.

362.117. 1. Any bank may become a trust company with all the powers and subject to
2 all the obligations and duties of trust companies organized under the provisions of this chapter.

3 2. A bank desiring to become a trust company shall proceed in the following manner:

4 (1) It shall call a meeting of its stockholders and shall give notice thereof as provided in
5 section 362.044;

6 (2) At the meeting so called the stockholders of the bank may, by a vote of at least
7 two-thirds of the entire capital stock issued, outstanding and entitled to vote, direct that the bank
8 shall be transformed into a trust company. In the event that such action is taken by the prescribed
9 vote, a resolution may be adopted fixing a future date certain upon which the state bank shall be
10 transformed into a trust company and directing not less than five nor more than thirty of the
11 stockholders of the bank, who shall be designated by name in the resolution, to proceed with the
12 organization of the trust company;

13 (3) The designated stockholders shall proceed in all respects as is provided by law for
14 other individuals in incorporating a trust company, except that the articles of agreement may
15 provide that instead of the capital stock being paid up in lawful money the same may be paid up
16 by an assignment of the assets of the state bank about to dissolve, the assignment to take effect
17 at the aforesaid future date certain, and the director may allow the assignment to be accepted
18 instead of cash, if the incorporators shall have certified in the articles of agreement that the net
19 value of the assigned assets is equal to at least the full amount of the stock of the proposed trust
20 company, and the director, as the result of an examination by himself, his deputies or his
21 examiners, is satisfied that the assets are of such value, **and except further that the**
22 **stockholders may request in the resolution referred to in subdivision (2) of subsection 2 of**
23 **this section that the new charter contain the original incorporation date for such state bank**
24 **to be dissolved and the director shall grant such request to be included in the new trust**
25 **company public charter to be issued.**

362.170. 1. As used in this section, the term "unimpaired capital" includes common and
2 preferred stock, capital notes, the surplus fund, undivided profits and any reserves, not subject
3 to known charges as shown on the next preceding published report of the bank or trust company
4 to the director of finance.

5 2. No bank or trust company subject to the provisions of this chapter shall:

6 (1) Directly or indirectly, lend to any individual, partnership, corporation, limited
7 liability company or body politic, either by means of letters of credit, by acceptance of drafts, or
8 by discount or purchase of notes, bills of exchange, or other obligations of the individual,
9 partnership, corporation, limited liability company or body politic an amount or amounts in the

10 aggregate which will exceed [fifteen] **the greater of: (i) twenty-five** percent of the unimpaired
11 capital of the bank or trust company, **provided such bank or trust company has a composite**
12 **rating of 1 or 2 under the Capital, Assets, Management, Earnings, Liquidity and Sensitivity**
13 **(CAMELS) rating system of the Federal Financial Institute Examination Counsel (FFIEC);**
14 **(ii) fifteen percent of the unimpaired capital of the bank or trust company** if located in a city
15 having a population of one hundred thousand or over; twenty percent of the unimpaired capital
16 of the bank or trust company if located in a city having a population of less than one hundred
17 thousand and over seven thousand; and twenty-five percent of the unimpaired capital of the bank
18 or trust company if located elsewhere in the state, with the following exceptions:

19 (a) The restrictions in this subdivision shall not apply to:

20 a. Bonds or other evidences of debt of the government of the United States or its
21 territorial and insular possessions, or of the state of Missouri, or of any city, county, town,
22 village, or political subdivision of this state;

23 b. Bonds or other evidences of debt, the issuance of which is authorized under the laws
24 of the United States, and as to which the government of the United States has guaranteed or
25 contracted to provide funds to pay both principal and interest;

26 c. Bonds or other evidences of debt of any state of the United States other than the state
27 of Missouri, or of any county, city or school district of the foreign state, which county, city, or
28 school district shall have a population of fifty thousand or more inhabitants, and which shall not
29 have defaulted for more than one hundred twenty days in the payment of any of its general
30 obligation bonds or other evidences of debt, either principal or interest, for a period of ten years
31 prior to the time of purchase of the investment and provided that the bonds or other evidences
32 of debt shall be a direct general obligation of the county, city, or school district;

33 d. Loans to the extent that they are insured or covered by guaranties or by commitments
34 or agreements to take over or purchase made by any department, bureau, board, commission, or
35 establishment of the United States or of the state of Missouri, including any corporation, wholly
36 owned, directly or indirectly, by the United States or of the state of Missouri, pursuant to the
37 authority of any act of Congress or the Missouri general assembly heretofore or hereafter adopted
38 or amended or pursuant to the authority of any executive order of the President of the United
39 States or the governor of Missouri heretofore or hereafter made or amended under the authority
40 of any act of Congress heretofore or hereafter adopted or amended, and the part of the loan not
41 so agreed to be purchased or discounted is within the restrictive provisions of this section;

42 e. Obligations to any bank or trust company in the form of notes of any person,
43 copartnership, association, corporation or limited liability company, secured by not less than a
44 like amount of direct obligations of the United States which will mature in not exceeding five
45 years from the date the obligations to the bank are entered into;

46 f. Loans to the extent they are secured by a segregated deposit account in the lending
47 bank if the lending bank has obtained a perfected security interest in such account;

48 g. Evidences of debt which are direct obligations of, or which are guaranteed by, the
49 Government National Mortgage Association, the Federal National Mortgage Association, the
50 Student Loan Marketing Association, the Federal Home Loan Banks, the Federal Farm Credit
51 Bank or the Federal Home Loan Mortgage Corporation, or evidences of debt which are fully
52 collateralized by direct obligations of, and which are issued by, the Government National
53 Mortgage Association, the Federal National Mortgage Association, the Student Loan Marketing
54 Association, a Federal Home Loan Bank, the Federal Farm Credit Bank or the Federal Home
55 Loan Mortgage Corporation;

56 (b) The total liabilities to the bank or trust company of any individual, partnership,
57 corporation or limited liability company may equal but not exceed thirty-five percent of the
58 unimpaired capital of the bank or trust company; provided, that all of the total liabilities in
59 excess of the legal loan limit of the bank or trust company as defined in this subdivision are upon
60 paper based upon the collateral security of warehouse receipts covering agricultural products or
61 the manufactured or processed derivatives of agricultural products in public elevators and public
62 warehouses subject to state supervision and regulation in this state or in any other state of the
63 United States, under the following conditions: first, that the actual market value of the property
64 held in store and covered by the receipt shall at all times exceed by at least fifteen percent the
65 amount loaned upon it; and second, that the property covered by the receipts shall be insured to
66 the full market value thereof against loss by fire and lightning, the insurance policies to be issued
67 by corporations or individuals licensed to do business by the state in which the property is
68 located, and when the insurance has been used to the limit that it can be secured, then in
69 corporations or with individuals licensed to do an insurance business by the state or country of
70 their incorporation or residence; and all policies covering property on which the loan is made
71 shall have endorsed thereon, "loss, if any, payable to the holder of the warehouse receipts"; and
72 provided further, that in arriving at the amount that may be loaned by any bank or trust company
73 to any individual, partnership, corporation or limited liability company on elevator or warehouse
74 receipts there shall be deducted from the thirty-five percent of its unimpaired capital the total of
75 all other liabilities of the individual, partnership, corporation or limited liability company to the
76 bank or trust company;

77 (c) In computing the total liabilities of any individual to a bank or trust company there
78 shall be included all liabilities to the bank or trust company of any partnership of which the
79 individual is a member, and any loans made for the individual's benefit or for the benefit of the
80 partnership; of any partnership to a bank or trust company there shall be included all liabilities
81 of and all loans made for the benefit of the partnership; of any corporation to a bank or trust

82 company there shall be included all loans made for the benefit of the corporation and of any
83 limited liability company to a bank or trust company there shall be included all loans made for
84 the benefit of the limited liability company;

85 (d) The purchase or discount of drafts, or bills of exchange drawn in good faith against
86 actually existing values, shall not be considered as money borrowed within the meaning of this
87 section; and the purchase or discount of negotiable or nonnegotiable paper which carries the full
88 recourse endorsements or guaranty or agreement to repurchase of the person, copartnership,
89 association, corporation or limited liability company negotiating the same, shall not be
90 considered as money borrowed by the endorser or guarantor or the repurchaser within the
91 meaning of this section, provided that the files of the bank or trust company acquiring the paper
92 contain the written certification by an officer designated for this purpose by its board of directors
93 that the responsibility of the makers has been evaluated and the acquiring bank or trust company
94 is relying primarily upon the makers thereof for the payment of the paper;

95 (e) For the purpose of this section, a loan guaranteed by an individual who does not
96 receive the proceeds of the loan shall not be considered a loan to the guarantor;

97 (f) Investments in mortgage-related securities, as described in the Secondary Mortgage
98 Market Enhancement Act of 1984, P.L. 98-440, excluding those described in subparagraph g.
99 of paragraph (a) of subdivision (1) of this subsection, shall be subject to the restrictions of this
100 section, provided that a bank or trust company may invest up to two times its legal loan limit in
101 any such securities that are rated in one of the two highest rating categories by at least one
102 nationally recognized statistical rating organization;

103 (2) Nor shall any of its directors, officers, agents, or employees, directly or indirectly
104 purchase or be interested in the purchase of any certificate of deposit, pass book, promissory
105 note, or other evidence of debt issued by it, for less than the principal amount of the debt, without
106 interest, for which it was issued. Every bank or trust company or person violating the provisions
107 of this subdivision shall forfeit to the state the face value of the note or other evidence of debt
108 so purchased;

109 (3) Make any loan or discount on the security of the shares of its own capital stock, or
110 be the purchaser or holder of these shares, unless the security or purchase shall be necessary to
111 prevent loss upon a debt previously contracted in good faith, and stock so purchased or acquired
112 shall be sold at public or private sale, or otherwise disposed of, within six months from the time
113 of its purchase or acquisition unless the time is extended by the finance director. Any bank or
114 trust company violating any of the provisions of this subdivision shall forfeit to the state the
115 amount of the loan or purchase;

116 (4) Knowingly lend, directly or indirectly, any money or property for the purpose of
117 enabling any person to pay for or hold shares of its stock, unless the loan is made upon security

118 having an ascertained or market value of at least fifteen percent more than the amount of the
119 loan. Any bank or trust company violating the provision of this subdivision shall forfeit to the
120 state the amount of the loan;

121 (5) No salaried officer of any bank or trust company shall use or borrow for himself or
122 herself, directly or indirectly, any money or other property belonging to any bank or trust
123 company of which the person is an officer, in excess of ten percent of the unimpaired capital of
124 the bank or trust company, nor shall the total amount loaned to all salaried officers of any bank
125 or trust company exceed twenty-five percent of the unimpaired capital of the bank or trust
126 company. Where loans and a line of credit are made to salaried officers, the loans and line of
127 credit shall first be approved by a majority of the board of directors or of the executive or
128 discount committee, the approval to be in writing and the officer to whom the loans are made,
129 not voting. The form of the approval shall be as follows:

130 We, the undersigned, constituting a majority of the of the (bank
131 or trust company), do hereby approve a loan of \$..... or a line of credit of
132 \$....., or both, to, it appearing that the loan or line of credit,
133 or both, is not more than 10 percent of the unimpaired capital of (bank
134 or trust company); it further appearing that the loan (money actually advanced) will not make the
135 aggregate of loans to salaried officers more than 25 percent of the unimpaired capital of the bank
136 or trust company.

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141 Dated this day of, 20.... Provided, if the officer owns or controls a
142 majority of the stock of any other corporation, a loan to that corporation shall be considered for
143 the purpose of this subdivision as a loan to the officer. Every bank or trust company or officer
144 thereof knowingly violating the provisions of this subdivision shall, for each offense, forfeit to
145 the state the amount lent;

146 (6) Invest or keep invested in the stock of any private corporation, **provided however,**
147 **a bank may invest in equity stock in the Federal Home Loan Bank up to twice the limit**
148 **described in subdivision (1) of subsection 2 of this section and** except as otherwise provided
149 in this chapter.

150 3. Provided, that the provisions in this section shall not be so construed as in any way
151 to interfere with the rules and regulations of any clearinghouse association in this state in
152 reference to the daily balances; and provided, that this section shall not apply to balances due
153 from any correspondent subject to draft.

154 4. Provided, that a trust company which does not accept demand deposits shall be
155 permitted to make loans secured by a first mortgage or deed of trust on real estate to any
156 individual, partnership, corporation or limited liability company, and to deal and invest in the
157 interest-bearing obligations of any state, or any city, county, town, village, or political
158 subdivision thereof, in an amount not to exceed its unimpaired capital, the loans on real estate
159 not to exceed sixty-six and two-thirds percent of the appraised value of the real estate.

160 5. Any officer, director, agent, clerk, or employee of any bank or trust company who
161 willfully and knowingly makes or concurs in making any loan, either directly or indirectly, to any
162 individual, partnership, corporation or limited liability company or by means of letters of credit,
163 by acceptance of drafts, or by discount or purchase of notes, bills of exchange or other obligation
164 of any person, partnership, corporation or limited liability company, in excess of the amounts set
165 out in this section, shall be deemed guilty of a class C felony.

166 6. A trust company in existence on October 15, 1967, or a trust company incorporated
167 thereafter which does not accept demand deposits, may invest in but shall not invest or keep
168 invested in the stock of any private corporation an amount in excess of fifteen percent of the
169 capital and surplus fund of the trust company; provided, however, that this limitation shall not
170 apply to the ownership of the capital stock of a safe deposit company as provided in section
171 362.105; nor to the ownership by a trust company in existence on October 15, 1967, or its
172 stockholders of a part or all of the capital stock of one bank organized under the laws of the
173 United States or of this state, nor to the ownership of a part or all of the capital of one
174 corporation organized under the laws of this state for the principal purpose of receiving savings
175 deposits or issuing debentures or loaning money on real estate or dealing in or guaranteeing the
176 payment of real estate securities, or investing in other securities in which trust companies may
177 invest under this chapter; nor to the continued ownership of stocks lawfully acquired prior to
178 January 1, 1915, and the prohibition for investments in this subsection shall not apply to
179 investments otherwise provided by law other than subdivision (4) of subsection 3 of section
180 362.105.

181 7. Any bank or trust company to which the provisions of subsection 2 of this section
182 apply may continue to make loans pursuant to the provisions of subsection 2 of this section for
183 up to five years after the appropriate decennial census indicates that the population of the city
184 in which such bank or trust company is located has exceeded the limits provided in subsection
185 2 of this section.

362.245. 1. The affairs and business of the corporation shall be managed by a board of
2 directors, consisting of not less than five nor more than thirty-five stockholders who shall be
3 elected annually; except, that trust companies in existence on October 13, 1967, may continue
4 to divide the directors into three classes of equal number, as near as may be, and to elect one

5 class each year for three-year terms. Notwithstanding any provision of this chapter to the
6 contrary, a director who is not a stockholder shall have all the rights, privileges, and duties of a
7 director who is a stockholder.

8 2. Each director shall be a citizen of the United States, and at least a majority of the
9 directors must be residents of this state at the time of their election and during their continuance
10 in office; provided, however, that if a director actually resides within a radius of one hundred
11 miles of the banking house of said bank or trust company, even though his or her residence be
12 in another state adjoining and contiguous to the state of Missouri, he or she shall for the purposes
13 of this section be considered as a resident of this state and in **the** event such director shall be a
14 nonresident of the state of Missouri he or she shall upon his or her election as a director file with
15 the president of the banking house **or such other chief executive office as otherwise permitted**
16 **by this chapter** written consent to service of legal process upon him in his or her capacity as a
17 director by service of the legal process upon the president as though the same were personally
18 served upon the director in Missouri.

19 3. If at a time when not more than a majority of the directors are residents of this state,
20 any director shall cease to be a resident of this state or adjoining state as defined in subsection
21 2 of this section, he or she shall forthwith cease to be a director of the bank or trust company and
22 his or her office shall be vacant.

23 4. No person shall be a director in any bank or trust company against whom such bank
24 or trust company shall hold a judgment.

25 5. Cumulative voting shall only be permitted at any meeting of the members or
26 stockholders in electing directors when it is provided for in the articles of incorporation or
27 bylaws.

362.270. Within thirty days after the date on which the annual meeting of the
2 stockholders is held the directors elected at such meeting shall, after subscribing the oath
3 required in section 362.250, hold a meeting at which they shall elect a chief executive officer
4 which the board may designate as president or another appropriate title, from their own number,
5 one or more vice presidents, and such other officers as are provided for by the bylaws to be
6 elected annually, **except as otherwise provided by law.**

362.275. 1. The board of directors of every bank and trust company organized or doing
2 business pursuant to this chapter shall hold a regular meeting at least once each month, or, upon
3 application to and acceptance by the director of finance, at such other times, not less frequently
4 than once each calendar quarter as the director of finance shall approve, which approval may be
5 rescinded at any time. There shall be submitted to the meeting a list giving the aggregate of
6 loans, discounts, acceptances and advances, including overdrafts, to each individual, partnership,
7 corporation or person whose liability to the bank or trust company has been created, extended,

8 renewed or increased since the cut-off date prior to the regular meeting by more than an amount
9 to be determined by the board of directors, which minimum amount shall not exceed five percent
10 of the bank's legal loan limit, except the minimum amount shall in no case be less than ten
11 thousand dollars, and a second list of the aggregate indebtedness of each borrower whose
12 aggregate indebtedness exceeds five times such minimum amount, except the aggregate
13 indebtedness shall in no case be less than fifty thousand dollars; and a third list showing all paper
14 past due thirty days or more; and a fourth list showing the aggregate of the then existing
15 indebtedness and liability to the bank or trust company of each of the directors, officers, and
16 employees thereof. The information called for in the second, third, and fourth lists shall be
17 submitted as of the date of the regular meeting or as of a reasonable date prior thereto. If there
18 is collateral to the indebtedness, it shall be described as of the date of the lists. No bills payable
19 shall be made, and no bills shall be rediscounted by the bank or trust company except with the
20 consent or ratification of the board of directors; provided, however, that if the bank or trust
21 company is a member of the federal reserve system, rediscounts may be made to it by the officers
22 in accordance with its rules, a list of all rediscounts to be submitted to the next regular meeting
23 of the board. The director of finance may require, by order, that the board of directors of a bank
24 or trust company approve or disapprove every purchase or sale of securities and every discount,
25 loan, acceptance, renewal or other advance including every overdraft over an amount to be
26 specified in the director's order and may also require that the board of directors review, at each
27 monthly meeting, a list of the aggregate indebtedness of each borrower whose aggregate
28 indebtedness exceeds an amount to be specified in the director's order. The minutes of the
29 meeting shall indicate the compliance with the requirements of this section. Furthermore, the
30 debtor's identity on the information required in this subsection, may be masked by code to
31 conceal the actual debtor's identity only for information mailed to or otherwise provided directors
32 who are not physically present at the board meeting. The code used shall be revealed to all
33 directors at the beginning of each board meeting for which this procedure is used.

34 **2. For any issue in need of immediate action, the board of directors or the executive**
35 **committee of the board as defined in section 362.253** may [ratify a poll taken by the bank or
36 trust company's senior officers on any issue in need of immediate action and ultimate board
37 approval, provided:

38 (1) The vote by poll meets or exceeds a majority of the board of directors unless a greater
39 number of votes for board action is required by the bank or trust company's articles of agreement,
40 bylaws or the law;

41 (2) Any director who is a member of the board and has a pecuniary interest in the board's
42 action, recuses himself or herself from the poll, takes no part, and does not vote on the board
43 ratification of such issue; and

44 (3) Such poll is made available by director's name and vote to the board prior to the
45 board's vote on ratification.

46 3. If the board ratifies such poll as provided in subsection 2 of this section, the
47 ratification shall have the same force and effect as the board originally approving such action at
48 a board meeting, as of the date the poll is approved] **enter into a unanimous consent**
49 **agreement as permitted by subsection 2 of section 351.340, RSMo. Such consent may be**
50 **communicated by facsimile transmission or by other authenticated record, separately by**
51 **each director, provided each consent is signed by the director and the bank has no**
52 **indication such signature is not the director's valid consent. When the bank or trust**
53 **company has received unanimous consent from the board or executive committee, the**
54 **action voted on shall be considered approved.**

362.335. 1. The directors may appoint and remove any cashier, secretary or other officer
2 or employee at pleasure.

3 2. The cashier, secretary or any other officer or employee shall not endorse, pledge or
4 hypothecate any notes, bonds or other obligations received by the corporation for money loaned,
5 until such power and authority is given the cashier, secretary or other officer or employee by the
6 board of directors, pursuant to a resolution of the board of directors, a written record of which
7 proceedings shall first have been made; and a certified copy of the resolution, signed by the
8 president and cashier or secretary with the corporate seal annexed, shall be conclusive evidence
9 of the grant of this power; and all acts of endorsing, pledging and hypothecating done by the
10 cashier, secretary or other officer or employee of the bank or trust company without the authority
11 from the board of directors shall be null and void. The board of directors may designate a chief
12 executive officer who is not the president, but who shall perform all the duties of the president
13 required by this section.

14 3. **A bank or trust company may appoint such officers as provided for in the**
15 **articles of agreement, bylaws or as otherwise provided by law, however provided the**
16 **directors appoint an officer that is also designated as the chief executive officer, the bank**
17 **or trust company shall not be required to appoint an officer designated as president. When**
18 **the chief executive officer owns or controls fifty percent or more of the voting stock of the**
19 **bank or trust company, such chief executive officer shall not be required to be a member**
20 **of the board of directors, unless the director of the division of finance determines such**
21 **officer's presence is necessary to prevent unsafe and unsound banking activity.**

365.100. If the contract so provides, the holder thereof may charge and collect:

2 (1) [A delinquency and collection charge on each installment in default for a period of
3 not less than ten days in an amount not to exceed five percent of each installment or five dollars,
4 whichever is less] **A charge for late payment on each installment or minimum payment in**

5 **default for a period of not less than fifteen days in an amount not to exceed five percent of**
6 **each installment due or the minimum payment due or twenty-five dollars, whichever is**
7 **less; except that, a minimum charge of ten dollars may be made, or when the installment**
8 **is for twenty-five dollars or less, a charge for late payment for a period of not less than**
9 **fifteen days shall not exceed five dollars,** provided, however, that a minimum charge of one
10 dollar may be made;

11 (2) Interest on each delinquent payment at a rate which shall not exceed the highest
12 lawful contract rate. In addition to such charge, the contract may provide for the payment of
13 attorney fees not exceeding fifteen percent of the amount due and payable under the contract
14 where the contract is referred for collection to any attorney not a salaried employee of the holder,
15 plus court costs; **and**

16 (3) A dishonored or insufficient funds check fee equal to such fee as provided in section
17 408.653, RSMo, in addition to fees charged by a bank for each check, draft, order or like
18 instrument which is returned unpaid.

367.031. 1. At the time of making any secured personal credit loan, the lender shall
2 execute and deliver to the borrower a receipt for and describing the tangible personal property
3 subjected to the security interest to secure the payment of the loan. The receipt shall contain the
4 following:

5 (1) The name and address of the pawnshop;

6 (2) The name and address of the pledgor, the pledgor's description, and the driver's
7 license number, military identification number, identification certificate number, or other official
8 number capable of identifying the pledgor;

9 (3) The date of the transaction;

10 (4) An identification and description of the pledged goods, including serial numbers if
11 reasonably available;

12 (5) The amount of cash advanced or credit extended to the pledgor;

13 (6) The amount of the pawn service charge;

14 (7) The total amount which must be paid to redeem the pledged goods on the maturity
15 date;

16 (8) The maturity date of the pawn transaction; and

17 (9) A statement to the effect that the pledgor is not obligated to redeem the pledged
18 goods, and that the pledged goods may be forfeited to the pawnbroker sixty days after the
19 specified maturity date.

20 2. The pawnbroker [may] **shall** be required **when requested**, in accordance with local
21 ordinances, to furnish [local] **appropriate** law enforcement authorities with copies of
22 information contained in subdivisions (1) to (4) of subsection 1 of this section **and information**

23 contained in subdivision (6) of subsection 4 of section 367.040. The pawnbroker may
24 satisfy such requirements by transmitting such information electronically to a database in
25 accordance with this subsection.

26 (1) As used in this subsection, the following terms mean:

27 (a) "Database", a computer database established and maintained by a reputable
28 third party engaged in the business of establishing and maintaining one or more databases;

29 (b) "Reportable data", the information required to be recorded by pawnbrokers
30 for pawn and purchase transactions pursuant to subdivisions (1) to (4) of subsection 1 of
31 this section and the information required to be recorded by pawnbrokers for purchase
32 transactions pursuant to subdivision (6) of subsection 4 of section 367.040;

33 (c) "Reporting pawnbroker", a pawnbroker who chooses to transmit reportable
34 data electronically to the database;

35 (d) "Search", the accessing of a single database record;

36 (e) "User", law enforcement personnel specifically authorized to access the
37 database.

38 (2) The database shall provide appropriate law enforcement officials with useful
39 information to facilitate the investigation of alleged property crimes while protecting the
40 privacy rights of pawnbrokers and pawnshop customers with regard to their transactions.

41 (3) The database shall contain the pawn and purchase transaction information
42 recorded by reporting pawnbrokers pursuant to this section and section 367.040 and shall
43 be updated as requested by local law enforcement. The database shall also contain such
44 security features and protections as may be necessary to ensure that the reportable data
45 maintained in the database can only be accessed by permitted users in accordance with the
46 provisions of this subsection.

47 (4) The third party's charge for the database shall be based on the number of
48 authorized database users. Law enforcement agencies shall be charged directly for access
49 to the database, and the charge shall be reasonable in relation to the costs of the third party
50 in establishing and maintaining the database. No reporting pawnbroker or customer of
51 a reporting pawnbroker shall be charged any costs for the creation or utilization of the
52 database.

53 (5) (a) The information in the database shall only be accessible through the
54 Internet to appropriate users who have provided a secure identification or access code to
55 the database but shall allow such users to access database information from any
56 jurisdiction transmitting such information to that database. Such users shall provide the
57 database with a case number of a criminal action for which the identity of the pawn or
58 purchase transaction customer is needed and a representation that the information is

59 connected to the investigation of a crime involving goods delivered by that customer in that
60 transaction. The database shall record, for each search, the identity of the user, the pawn
61 or purchase transaction involved in the search, and the identity of any customer accessed
62 through the search. Each search record shall be made available to other users regardless
63 of their jurisdiction. The database shall enable reporting pawnbrokers to transmit to the
64 database through the Internet reportable data for each pawn and purchase transaction.

65 (b) Any person who gains access to information in the database through fraud or
66 false pretenses shall be guilty of a class C felony.

67 (6) A reporting pawnbroker, and any pawnbroker licensed after August 28, 2002,
68 shall meet the following requirements:

69 (a) Provide all reportable data to appropriate users by transmitting it through the
70 Internet to the database;

71 (b) Transmit all reportable data for one business day to the database prior to the
72 end of the following business day;

73 (c) Make available for on-site inspection to any appropriate law enforcement
74 official, upon request, written papers of any pawn or purchase transaction documents.

75 (7) If a reporting pawnbroker or user discovers any error in the reportable data,
76 notice of such error shall be given to the database, which shall have a period of at least
77 thirty but no more than sixty days in which to correct the error. Any reporting
78 pawnbroker experiencing a computer malfunction preventing the transmission of
79 reportable data or receipt of search requests shall be allowed a period of at least thirty but
80 no more than sixty days to repair such malfunction, and during such period such
81 pawnbroker shall not be deemed to be in violation of this subsection if good faith efforts
82 are made to correct the malfunction. During the periods specified in this subdivision, the
83 reporting pawnbroker and user shall arrange an alternative method or methods by which
84 the reportable data shall be made available.

85 (8) No reporting pawnbroker shall be obligated to incur any cost, other than
86 Internet access costs, in preparing, converting, or delivering its reportable data to the
87 database.

88 3. If the pawn ticket is lost, destroyed, or stolen, the pledgor may so notify the
89 pawnbroker in writing, and receipt of such notice shall invalidate such pawn ticket, if the pledged
90 goods have not previously been redeemed. Before delivering the pledged goods or issuing a new
91 pawn ticket, the pawnbroker shall require the pledgor to make a written affidavit of the loss,
92 destruction or theft of the ticket. The pawnbroker shall record on the written statement the
93 identifying information required, the date the statement is given, and the number of the pawn
94 ticket lost, destroyed, or stolen. The affidavit shall be signed by a notary public appointed by the

95 secretary of state pursuant to section 486.205, RSMo, to perform notarial acts in this state.

367.055. 1. Upon request of a law enforcement officer to inspect property that is
2 described in information furnished by the pawnbroker pursuant to subdivisions (1) to (4) of
3 subsection 1 of section 367.031, the law enforcement officer shall be entitled to inspect the
4 property described, without prior notice or the necessity of obtaining a search warrant during
5 regular business hours in a manner so as to minimize interference with or delay to the
6 pawnbroker's business operation. When a law enforcement officer has probable cause to believe
7 that goods or property in the possession of a pawnbroker are misappropriated, the officer may
8 place a hold order on the property. The hold order shall contain the following:

- 9 (1) The name of the pawnbroker;
- 10 (2) The name and mailing address of the pawnshop where the property is held;
- 11 (3) The name, title and identification number of the law enforcement officer placing the
12 hold order;
- 13 (4) The name and address of the agency to which the law enforcement officer is attached
14 and the claim or case number, if any, assigned by the agency to the claim regarding the property;
- 15 (5) A complete description of the property to be held including model and serial
16 numbers;
- 17 (6) The expiration date of the holding period.

18

19 The hold order shall be signed and dated by the issuing officer and signed and dated by the
20 pawnbroker or the pawnbroker's designee as evidence of the hold order's issuance by the officer,
21 receipt by the pawnbroker and the beginning of the initial holding period. The officer issuing
22 the hold order shall provide an executed copy of the hold order to the pawnbroker for the
23 pawnbroker's record-keeping purposes at no cost to the pawnbroker.

24 2. Upon receiving the hold order, and subject to the provisions of section 367.047, the
25 pawnbroker shall retain physical possession of the property subject to the order in a secured area.
26 The initial holding period of the hold order shall not exceed two months, except that the hold
27 order may be extended for up to two successive one-month holding periods upon written
28 notification prior to the expiration of the immediately preceding holding period. A hold order
29 may be released prior to the expiration of any holding period or extension thereof by written
30 release from the agency placing the initial hold order. The initial hold order shall be deemed
31 expired upon the expiration date if the holding period is not extended pursuant to this subsection.

32 3. Upon the expiration of the initial holding period or any extension thereof, the
33 pawnbroker shall deliver written notice to the law enforcement officer issuing the hold order that
34 such order has expired and that title to the property subject to the hold order will vest in the
35 pawnbroker in ten business days. Ownership shall only vest in the pawnbroker upon the

36 expiration of the ten-day waiting period subject to any restriction contained in the pawn contract
37 and subject to the provisions of sections 367.044 to 367.053.

38 4. In addition to the penalty provisions contained in section 367.050, gross negligence
39 or willful noncompliance with the provisions of this section by a pawnbroker shall be cause for
40 the licensing authority to suspend or revoke the pawnbroker's license. Any imposed suspensions
41 or revocation provided for by this subsection may be appealed by the pawnbroker to the licensing
42 authority or to a court of competent jurisdiction.

43 5. A county or municipality may enact orders or ordinances to license or regulate the
44 operations of pawnbrokers which are consistent with and not more restrictive than the provisions
45 of sections [367.044] **367.011** to 367.055, **except that a county or municipality may regulate**
46 **the number of pawn shop licensees.**

47 6. All records and information that relate to a pawnbroker's pawn, purchase or trade
48 transactions and that are delivered to or otherwise obtained by an appropriate law enforcement
49 officer pursuant to sections 367.031 and 367.040 are confidential and may be used only by such
50 appropriate law enforcement officer and only for the following official law enforcement
51 purposes:

52 (1) The investigation of a crime specifically involving the item of property delivered to
53 the pawnbroker in a pawn, purchase or trade transaction;

54 (2) The investigation of a pawnbroker's possible specific violation of the record-keeping
55 or reporting requirements of sections 367.031 and 367.040, but only when the appropriate law
56 enforcement officer, based on a review of the records and the information received, has probable
57 cause to believe that such a violation occurred; and

58 (3) The notification of property crime victims of where property that has been reported
59 misappropriated can be located.

367.518. 1. Each title loan agreement shall disclose the following:

2 (1) All disclosures required by the federal Truth in Lending Act and regulation Z;

3 (2) That the transaction is a loan secured by the pledge of titled personal property and,
4 in at least ten-point bold type, that nonpayment of the loan may result in loss of the borrower's
5 vehicle or other titled personal property;

6 (3) The name, business address, telephone number and certificate number of the title
7 lender, and the name and residential address of the borrower;

8 (4) The monthly interest rate to be charged;

9 (5) A statement which shall be in at least ten-point bold type, separately acknowledged
10 by the signature of the borrower and reading as follows: You may cancel this loan without any
11 costs by returning the full principal amount to the lender by the close of the lender's next full
12 business day;

13 (6) The location where the titled personal property may be delivered if the loan is not
14 paid and the hours such location is open for receiving such deliveries; and

15 (7) Any additional disclosures deemed necessary by the director or required pursuant to
16 sections 400.9-101 to [400.9-508] **400.9-710**, RSMo.

17 2. The division of finance is directed to draft a form to be used in title loan transactions.
18 Use of this form is not mandatory; however, use of such form, properly completed, shall satisfy
19 the disclosure provisions of this section.

375.018. 1. Unless denied licensure pursuant to section 375.141, persons who have met
2 the requirements of sections 375.014, 375.015 and 375.016 shall be issued an insurance producer
3 license for a term of two years. An insurance producer may qualify for a license in one or more
4 of the following lines of authority:

5 (1) Life insurance coverage on human lives including benefits of endowment and
6 annuities, and may include benefits in the event of death or dismemberment by accident and
7 benefits for disability income;

8 (2) Accident and health or sickness insurance coverage for sickness, bodily injury or
9 accidental death and may include benefits for disability income;

10 (3) Property insurance coverage for the direct or consequential loss or damage to
11 property of every kind;

12 (4) Casualty insurance coverage against legal liability, including that for death, injury
13 or disability or damage to real or personal property;

14 (5) Variable life and variable annuity products insurance coverage provided under
15 variable life insurance contracts and variable annuities;

16 (6) Personal lines property and casualty insurance coverage sold to individuals and
17 families for primarily noncommercial purposes;

18 (7) Credit-limited line credit insurance;

19 (8) Any other line of insurance permitted under state laws or regulations.

20 2. Any insurance producer who is certified by the Federal Crop Insurance Corporation
21 on September 28, 1995, to write federal crop insurance shall not be required to have a property
22 license for the purpose of writing federal crop insurance.

23 3. The biennial renewal fee for a producer's license is one hundred dollars for each
24 license. A producer's license shall be renewed biennially on the anniversary date of issuance and
25 continue in effect until refused, revoked or suspended by the director in accordance with section
26 375.141.

27 4. An individual insurance producer who allows his or her license to expire may, within
28 twelve months from the due date of the renewal fee, reinstate the same license without the
29 necessity of passing a written examination. The insurance producer seeking relicensing pursuant

30 to this subsection shall provide proof that the continuing education requirements have been met
31 and shall pay a penalty of twenty-five dollars per month that the license was expired in addition
32 to the requisite renewal fees that would have been paid had the license been renewed in a timely
33 manner. Nothing in this subsection shall require the director to relicense any insurance producer
34 determined to have violated the provisions of section 375.141.

35 **5. A business entity insurance producer that allows the license to expire may, within**
36 **twelve months of the due date of the renewal, reinstate the license by paying the license fee**
37 **that would have been paid had the license been renewed in a timely manner plus a penalty**
38 **of twenty-five dollars per month that the license was expired.**

39 **6.** The license shall contain the name, address, identification number of the insurance
40 producer, the date of issuance, the lines of authority, the expiration date and any other
41 information the director deems necessary.

42 [6.] **7.** Insurance producers shall inform the director by any means acceptable to the
43 director of a change of address within thirty days of the change. Failure to timely inform the
44 director of a change in legal name or address may result in a forfeiture not to exceed the sum of
45 ten dollars per month.

46 [7.] **8.** In order to assist the director in the performance of his or her duties, the director
47 may contract with nongovernmental entities, including the National Association of Insurance
48 Commissioners or any affiliates or subsidiaries that the organization oversees or through any
49 other method the director deems appropriate, to perform any ministerial functions, including the
50 collection of fees, related to producer licensing that the director may deem appropriate.

51 [8.] **9.** Any bank or trust company in the sale or issuance of insurance products or
52 services shall be subject to the insurance laws of this state and rules adopted by the department
53 of insurance.

54 [9.] **10.** A licensed insurance producer who is unable to comply with license renewal
55 procedures due to military service or some other extenuating circumstance, such as a long-term
56 medical disability, may request a waiver of those procedures. The producer may also request a
57 waiver of any other fine or sanction imposed for failure to comply with renewal procedures.

375.065. 1. Notwithstanding any other provision of this chapter, the director may license
2 credit insurance producers by issuing individual licenses to each credit insurance producer or by
3 issuing an organizational credit entity license to a resident or nonresident applicant who has
4 complied with the requirements of this section. An organizational credit entity license authorizes
5 the employees of the licensee who are at least eighteen years of age, acting on behalf of and
6 supervised by the licensee and whose compensation is not primarily paid on a commission basis
7 to act as insurance producers for the following types of insurance:

8 (1) Credit life insurance;

- 9 (2) Credit accident and health insurance;
10 (3) Credit property insurance;
11 (4) Credit [involuntary unemployment] **mortgage life** insurance;
12 (5) **Credit mortgage disability insurance**;
13 (6) **Credit involuntary unemployment insurance**;
14 (7) Any other form of credit or credit-related insurance approved by the director.
- 15 2. To obtain an organizational credit entity license, an applicant shall submit to the
16 director the uniform business entity application along with a fee of one hundred dollars. All
17 applications shall include the following information:
- 18 (1) The name of the business entity, the business address or addresses of the business
19 entity and the type of ownership of the business entity. If a business entity is a partnership or
20 unincorporated association, the application shall contain the name and address of every person
21 or corporation having a financial interest in or owning any part of the business entity. If the
22 business entity is a corporation, the application shall contain the names and addresses of all
23 officers and directors of the corporation. If the business entity is a limited liability company, the
24 application shall contain the names and addresses of all members and officers of the limited
25 liability company;
- 26 (2) A list of all persons employed by the business entity and to whom it pays any salary
27 or commission for the sale, solicitation, negotiation or procurement of any contracts of credit life,
28 credit accident and health, credit involuntary unemployment, credit leave of absence, credit
29 property, **credit mortgage life, credit mortgage disability** or any other form of credit or
30 credit-related insurance approved by the director. Any changes in the list of employees of the
31 business entity due to hiring or termination or any other reason shall be submitted to the director
32 within ten days of the change.
- 33 3. All persons included on the list referenced in subdivision (2) of subsection 2 of this
34 section shall be deemed insurance producers pursuant to the provisions of subsection 1 of section
35 375.014 for the authorized lines of credit insurance, and shall be deemed licensed insurance
36 producers for the purposes of section 375.141, notwithstanding the fact that individual licenses
37 are not issued to those persons included on the business entity application list.
- 38 4. Upon receipt of a completed application and payment of the requisite fees, the
39 director, if satisfied that an applicant has complied with all license requirements contained in this
40 section, shall issue the applicant an organizational credit business entity license which shall
41 remain in effect for one year or until suspended or revoked by the director, or until the
42 organizational credit business entity ceases to operate as a legal entity in this state. Each
43 organizational credit business entity shall renew its license annually, on or before the anniversary
44 date of the original issuance of the license, by:

45 (1) Paying a renewal fee of fifty dollars;

46 (2) Providing the director a list of all employees selling, soliciting, negotiating and
47 procuring credit insurance, and paying a fee of eighteen dollars per each employee.

48 5. Licenses of organizational credit business entities which are not timely renewed shall
49 expire on the anniversary date of the original issuance. An organizational credit business entity
50 that allows the license to expire may, within twelve months of the due date of the renewal,
51 reinstate the license by paying the license fee that would have been paid had the license been
52 renewed in a timely manner plus a penalty of twenty- five dollars per month that the license was
53 expired.

54 6. Notwithstanding any other provision of law to the contrary, this section shall not be
55 construed to prohibit an insurance company from paying a commission or providing another
56 form of remuneration to a duly licensed organizational credit business entity.

57 7. The director shall have the power to promulgate such rules and regulations as are
58 necessary to implement the provisions of this section. No rule or portion of a rule promulgated
59 pursuant to the authority of this section shall become effective unless it has been promulgated
60 pursuant to the provisions of chapter 536, RSMo.

61 **8. Notwithstanding any other provision of this chapter, the director may license**
62 **credit insurance agents by issuing individual licenses to such agents or by issuing an**
63 **organizational credit agency license to a resident or nonresident applicant who has**
64 **complied with the requirements of this section. An organizational credit agency license**
65 **authorizes the licensee's employees who are at least eighteen years of age, acting on behalf**
66 **of and supervised by the licensee and whose compensation is not primarily paid on a**
67 **commission basis to act as agents for the following types of insurance:**

68 (1) Credit life insurance;

69 (2) Credit accident and health insurance;

70 (3) Credit property insurance;

71 (4) Credit involuntary unemployment insurance;

72 (5) Credit involuntary unemployment insurance;

73 (6) Any other form of credit or credit-related insurance approved by the director.

74 9. To obtain an organizational credit agency license, an applicant shall submit to
75 the director an application in a form prescribed by the director along with a fee of one
76 hundred dollars. All applications shall include the following information:

77 (1) The name of the agency, the business address or addresses of the agency and the
78 type of ownership of the agency. If an agency is a partnership or unincorporated
79 association, the application shall contain the name and address of every person or
80 corporation having a financial interest in or owning any part of such agency. If an agency

81 is a corporation, the application shall contain the names and addresses of all officers and
82 directors of the corporation. If the agency is a limited liability company, the application
83 shall contain the names and addresses of all members and officers of the limited liability
84 company;

85 (2) A list of all persons employed by the agency and to whom the agency pays any
86 salary or commission for the solicitation or negotiation of any contracts of credit life, credit
87 accident and health, credit involuntary unemployment, credit leave of absence, credit
88 property, credit mortgage life, credit mortgage disability or any other form of credit or
89 credit-related insurance approved by the director.

90 10. An organizational credit agency authorized pursuant to this section shall be
91 deemed a licensed agency for the purposes of subsection 1 of section 375.061 and section
92 375.141. All persons included on the list referenced in subdivision (2) of subsection 2 of
93 this section shall be deemed licensed agents pursuant to the provision of section 375.016 for
94 the authorized lines of credit insurance, and shall be deemed licensed agents for the
95 purposes of section 375.141, notwithstanding the fact that individual licenses are not issued
96 to those persons included on such list.

97 11. Upon receipt of a completed application and payment of the requisite fees, the
98 director, if satisfied that an applicant organizational credit agency has complied with all
99 license requirements contained in this section, shall issue the applicant an organizational
100 credit agency license which shall remain in effect for one year or until suspended or
101 revoked by the director, or until the agency ceases to operate as a legal entity in this state.
102 Each organizational credit agency shall renew its license annually, on or before the
103 anniversary date of the original issuance of the license, by:

104 (1) Paying a renewal fee of fifty dollars;

105 (2) Providing the director a list of all employees soliciting, negotiating and
106 procuring credit insurance, and paying a fee of eighteen dollars per each such employee.

107 12. Licenses which are not timely renewed shall expire thirty days after the
108 anniversary date of the original issuance. The director shall assess a penalty of twenty-five
109 dollars per month if a formerly licensed credit agency operates as such without a current
110 license.

111 13. Notwithstanding any other provision of law to the contrary, this section shall
112 not be construed to prohibit an insurance company from paying a commission or providing
113 another form of remuneration to a duly licensed organizational credit agency.

114 14. The director shall have the power to promulgate such rules and regulations as
115 are necessary to implement the provisions of this section. No rule or portion of a rule
116 promulgated pursuant to the authority of this section shall become effective unless it has

117 been promulgated pursuant to the provisions of chapter 536, RSMo.

118 **15. The provisions of subsections 1 to 7 of this section shall become effective**
119 **January 1, 2003, and the provisions of subsections 8 to 14 of this section shall terminate**
120 **December 31, 2002.**

[375.065. 1. Notwithstanding any other provision of this chapter, the director
2 may license credit insurance agents by issuing individual licenses to such agents or
3 by issuing an organizational credit agency license to a resident or nonresident
4 applicant who has complied with the requirements of this section. An organizational
5 credit agency license authorizes the licensee's employees who are at least eighteen
6 years of age, acting on behalf of and supervised by the licensee and whose
7 compensation is not primarily paid on a commission basis to act as agents for the
8 following types of insurance:

- 9 (1) Credit life insurance;
- 10 (2) Credit accident and health insurance;
- 11 (3) Credit property insurance;
- 12 (4) Credit involuntary unemployment insurance;
- 13 (5) Any other form of credit or credit-related insurance approved by the
14 director.

15 2. To obtain an organizational credit agency license, an applicant shall
16 submit to the director an application in a form prescribed by the director along with
17 a fee of one hundred dollars. All applications shall include the following
18 information:

19 (1) The name of the agency, the business address or addresses of the agency
20 and the type of ownership of the agency. If an agency is a partnership or
21 unincorporated association, the application shall contain the name and address of
22 every person or corporation having a financial interest in or owning any part of such
23 agency. If an agency is a corporation, the application shall contain the names and
24 addresses of all officers and directors of the corporation. If the agency is a limited
25 liability company, the application shall contain the names and addresses of all
26 members and officers of the limited liability company;

27 (2) A list of all persons employed by the agency and to whom the agency
28 pays any salary or commission for the solicitation or negotiation of any contracts of
29 credit life, credit accident and health, credit involuntary unemployment, credit leave
30 of absence, credit property or any other form of credit or credit-related insurance
31 approved by the director.

32 3. An organizational credit agency authorized pursuant to this section shall
33 be deemed a licensed agency for the purposes of subsection 1 of section 375.061 and
34 section 375.141. All persons included on the list referenced in subdivision (2) of
35 subsection 2 of this section shall be deemed licensed agents pursuant to the provision
36 of section 375.016 for the authorized lines of credit insurance, and shall be deemed
37 licensed agents for the purposes of section 375.141, notwithstanding the fact that
38 individual licenses are not issued to those persons included on such list.

39 4. Upon receipt of a completed application and payment of the requisite fees,

the director, if satisfied that an applicant organizational credit agency has complied with all license requirements contained in this section, shall issue the applicant an organizational credit agency license which shall remain in effect for one year or until suspended or revoked by the director, or until the agency ceases to operate as a legal entity in this state. Each organizational credit agency shall renew its license annually, on or before the anniversary date of the original issuance of the license, by:

(1) Paying a renewal fee of fifty dollars;

(2) Providing the director a list of all employees soliciting, negotiating and procuring credit insurance, and paying a fee of eighteen dollars per each such employee.

5. Licenses which are not timely renewed shall expire thirty days after the anniversary date of the original issuance. The director shall assess a penalty of twenty-five dollars per month if a formerly licensed credit agency operates as such without a current license.

6. Notwithstanding any other provision of law to the contrary, this section shall not be construed to prohibit an insurance company from paying a commission or providing another form of remuneration to a duly licensed organizational credit agency.

7. The director shall have the power to promulgate such rules and regulations as are necessary to implement the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo.]

400.9-303. (a) This section applies to goods covered by a certificate of title, even if there is no other relationship between the jurisdiction under whose certificate of title the goods are covered and the goods or the debtor.

(b) Goods become covered by a certificate of title when a valid application for the certificate of title and the applicable fee are delivered to the appropriate authority. Goods cease to be covered by a certificate of title at the earlier of the time the certificate of title ceases to be effective under the law of the issuing jurisdiction or the time the goods become covered subsequently by a certificate of title issued by another jurisdiction.

(c) The local law of the jurisdiction under whose certificate of title the goods are covered governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in goods covered by a certificate of title from the time the goods become covered by the certificate of title until the goods cease to be covered by the certificate of title.

(d) When a notice of lien is filed in accordance with chapter 301 or 306, RSMo, then the lien is perfected and this chapter shall not govern perfection or nonperfection or the priority of the lien even though a valid application for a certificate of title and the applicable fee was not delivered to the appropriate authority or the certificate of title was not issued by such authority.

(e) Article 9 of this chapter shall not apply to liens on manufactured homes perfected in accordance with sections 700.350 to 700.390, RSMo, and the perfection or

19 **nonperfection, the priority and termination of the lien shall be governed by those sections,**
20 **except liens or encumbrances on manufactured homes perfected pursuant to article 9 of**
21 **this chapter, after June 30, 2001, and before August 28, 2002, and the perfection or**
22 **nonperfection, the priority, termination, rights, duties, and interests flowing from them are**
23 **and shall remain valid and may be terminated, completed, consummated, or enforced as**
24 **required or permitted by article 9 of this chapter, provided such liens on such**
25 **manufactured homes are not perfected in accordance with sections 700.350 to 700.390,**
26 **RSMo, however when conflicting lienholders file liens on the same manufactured home,**
27 **the lien filed under sections 700.350 to 700.390, RSMo, shall have priority over the lien**
28 **filed under article 9 of this chapter, for the time period after June 30, 2001, and before**
29 **August 28, 2002.**

408.140. 1. No further or other charge or amount whatsoever shall be directly or
2 indirectly charged, contracted for or received for interest, service charges or other fees as an
3 incident to any such extension of credit except as provided and regulated by sections 367.100 to
4 367.200, RSMo, and except:

5 (1) On loans for thirty days or longer which are other than "open-end credit" as such term
6 is defined in the federal Consumer Credit Protection Act and regulations thereunder, a fee, not
7 to exceed five percent of the principal amount loaned not to exceed [fifty] **seventy-five** dollars
8 may be charged by the lender; however, no such fee shall be permitted on any extension,
9 refinance, restructure or renewal of any such loan, unless any investigation is made on the
10 application to extend, refinance, restructure or renew the loan;

11 (2) The lawful fees actually and necessarily paid out by the lender to any public officer
12 for filing, recording, or releasing in any public office any instrument securing the loan, which
13 fees may be collected when the loan is made or at any time thereafter; however, premiums for
14 insurance in lieu of perfecting a security interest required by the lender may be charged if the
15 premium does not exceed the fees which would otherwise be payable;

16 (3) If the contract so provides, a charge for late payment on each installment or minimum
17 payment in default for a period of not less than fifteen days in an amount not to exceed five
18 percent of each installment due or the minimum payment due or twenty-five dollars, whichever
19 is less; except that, a minimum charge of ten dollars may be made. If the contract so provides,
20 a charge for late payment on each twenty-five dollars or less installment in default for a period
21 of not less than fifteen days shall not exceed five dollars;

22 (4) If the contract so provides, a charge for late payment for a single payment note in
23 default for a period of not less than fifteen days in an amount not to exceed five percent of the
24 payment due; provided that, the late charge for a single payment note shall not exceed fifty
25 dollars;

26 (5) Charges or premiums for insurance written in connection with any loan against loss
27 of or damage to property or against liability arising out of ownership or use of property as
28 provided in section 367.170, RSMo; however, notwithstanding any other provision of law, with
29 the consent of the borrower, such insurance may cover property all or part of which is pledged
30 as security for the loan, and charges or premiums for insurance providing life, health, accident,
31 or involuntary unemployment coverage;

32 (6) Charges assessed by any institution for processing a refused instrument plus a
33 handling fee of not more than fifteen dollars;

34 (7) If the contract or promissory note, signed by the borrower, provides for attorney fees,
35 and if it is necessary to bring suit, such attorney fees may not exceed fifteen percent of the
36 amount due and payable under such contract or promissory note, together with any court costs
37 assessed. The attorney fees shall only be applicable where the contract or promissory note is
38 referred for collection to an attorney, and is not handled by a salaried employee of the holder of
39 the contract;

40 (8) Provided the debtor agrees in writing, the lender may collect a fee in advance for
41 allowing the debtor to defer up to three monthly loan payments, so long as the fee is no more
42 than the lesser of fifty dollars or ten percent of the loan payments deferred, no extensions are
43 made until the first loan payment is collected and no more than one deferral in a twelve-month
44 period is agreed to and collected on any one loan[.]; this [section] **subdivision** applies to
45 nonprecomputed loans only and does not affect any other [sections] **subdivision**[.];

46 (9) **If the open-end credit contract is tied to a transaction account in a depository**
47 **institution, such account is in the institution's assets and such contract provides for loans**
48 **of thirty-one days or longer which are "open-end credit", as such term is defined in the**
49 **federal Consumer Credit Protection Act and regulations thereunder, the creditor may**
50 **charge a credit advance fee of the lesser of twenty-five dollars or five percent of the credit**
51 **advanced from time to time from the line of credit; such credit advance fee may be added**
52 **to the open-end credit outstanding along with any interest, and shall not be considered the**
53 **unlawful compounding of interest as that term is defined in section 408.120.**

54 2. Other provisions of law to the contrary notwithstanding, an open-end credit contract
55 under which a credit card is issued by a company, financial institution, savings and loan or other
56 credit issuing company whose credit card operations are located in Missouri may charge an
57 annual fee, provided that no finance charge shall be assessed on new purchases other than cash
58 advances if such purchases are paid for within twenty-five days of the date of the periodic
59 statement therefor.

60 3. Notwithstanding any other provision of law to the contrary, in addition to charges
61 allowed pursuant to section 408.100, an open-end credit contract provided by a company,

62 financial institution, savings and loan or other credit issuing company which is regulated
63 pursuant to this chapter may charge an annual fee not to exceed fifty dollars.

408.556. 1. In any action brought by a lender against a borrower arising from default,
2 the petition shall allege the facts of the borrower's default, facts sufficient to show compliance
3 with the provisions of sections [400.9-501 to 400.9-507] **400.9-601 to 400.9-629**, RSMo, which
4 provisions are hereby deemed applicable to all credit transactions, with respect to any sale or
5 other disposition of collateral for the credit transaction, the amount to which the lender is
6 entitled, and an indication of how that amount was determined.

7 2. A default judgment may not be entered in the action in favor of the lender unless the
8 petition is verified by the lender, or sworn testimony, by affidavit or otherwise, is adduced
9 showing that the lender is entitled to the relief demanded.

10 3. If a lender takes possession or voluntarily accepts surrender of goods in which the
11 lender has a purchase money security interest to secure a credit transaction in the principal
12 amount of less than five hundred dollars, the borrower is not liable to the lender for the unpaid
13 balance.

14 4. Following any disposition of collateral pursuant to the provisions of [section
15 400.9-504] **sections 400.9-601 to 400.9-629**, RSMo, the lender shall be entitled to recover from
16 the borrower the deficiency, if any, only if the amount financed in the transaction was more than
17 five hundred dollars and the amount remaining unpaid at the time of default is three hundred
18 dollars or more.

408.557. [1.] When a lender sells or otherwise disposes of collateral in a transaction in
2 which an action for a deficiency may be commenced against the borrower, prior to bringing any
3 such action or upon written request of the borrower, the lender shall give the borrower the notice
4 [described in this section. A lender gives notice to the borrower under this section when he
5 delivers the notice to the borrower or mails the notice to him at his last known address.

6 2. The notice shall be in writing and conspicuously state:

7 (1) The name, address and telephone number of the lender to whom payment of any
8 deficiency is to be made;

9 (2) An identification of the goods sold or otherwise disposed of;

10 (3) The date of sale or other disposition;

11 (4) The nature of the disposition if other than a sale, or, if a sale, whether or not the
12 goods were sold at public auction and the name and address of the person who conducted the
13 auction;

14 (5) The amount due the lender immediately prior to the disposition after deducting the
15 amount of any refund of interest and, if known to the creditor, insurance premiums;

16 (6) The sale price;

17 (7) Expenses incurred by the lender permitted to be deducted from the sale price before
18 application to the debt pursuant to sections 400.9-501 to 400.9-507, RSMo, itemized and
19 identified to show the nature of each such expense; and

20 (8) The remaining deficiency, or surplus, as of the date of sale, computed by subtracting
21 item (7) from item (6) and subtracting the difference so determined, if more than zero, from item
22 (5)] **provided in section 400.9-614, RSMo, for consumer goods transactions or section**
23 **400.9-613, RSMo, for all other transactions that are not consumer goods transactions.**

409.204. (a) The commissioner may by order deny, suspend, or revoke any registration
2 or bar or censure any registrant or any officer, director, partner or person occupying a similar
3 status or performing similar functions for a registrant, from employment with a registered
4 broker-dealer or investment adviser, or restrict or limit a registrant as to any function or activity
5 of the business for which registration is required in this state, if [he] **the commissioner** finds (1)
6 that the order is in the public interest and (2) that the applicant or registrant or, in the case of a
7 broker-dealer or investment adviser, any partner, officer, or director, any person occupying a
8 similar status or performing similar functions, or any person directly or indirectly controlling the
9 broker-dealer or investment adviser:

10 (A) Has filed an application for registration which as of its effective date, or as of any
11 date after filing in the case of an order denying effectiveness, was incomplete in any material
12 respect or contained any statement which was, in light of the circumstances under which it was
13 made, false or misleading with respect to any material fact;

14 (B) Has willfully violated or willfully failed to comply with any provision of sections
15 409.101 to 409.419 or a predecessor act or any rule or order [under] **pursuant to** sections
16 409.101 to 409.419 or a predecessor act;

17 (C) Has been convicted, within the past ten years, of any misdemeanor involving a
18 security or any aspect of the securities business, or any felony;

19 (D) Is permanently or temporarily enjoined by any court of competent jurisdiction from
20 engaging in or continuing any conduct or practice involving any aspect of the securities business;

21 (E) Is the subject of an order of the commissioner denying, suspending, or revoking
22 registration as a broker-dealer, agent, investment adviser, or investment adviser representative;

23 (F) Is the subject of an adjudication or determination, after notice and opportunity for
24 hearing, within the past ten years by a securities or commodities agency or administrator of
25 another state or a court of competent jurisdiction that the person has willfully violated the
26 Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of
27 1940, the Investment Company Act of 1940 or the Commodity Exchange Act, or the securities
28 or commodities law of any other state;

29 (G) Has engaged in dishonest or unethical practices in the securities business;

30 (H) Is insolvent, either in the sense that his **or her** liabilities exceed his **or her** assets or
31 in the sense that he **or she** cannot meet [his] obligations as they mature; but the commissioner
32 may not enter an order against a broker-dealer or investment adviser [under] **pursuant to** this
33 clause without a finding of insolvency as to the broker-dealer or investment adviser;

34 (I) Is not qualified on the basis of such factors as training, experience, and knowledge
35 of the securities business, except as otherwise provided in subsection (b) of this section;

36 (J) Has failed reasonably to supervise his **or her** agents or employees if he **or she** is a
37 broker-dealer, or [his] adviser representatives or employees if [he is] an investment adviser; for
38 the purposes of this clause no person shall be deemed to have failed reasonably to supervise any
39 person if there have been established procedures, and a system for applying such procedures,
40 which would reasonably be expected to prevent and detect, insofar as practicable, any such
41 violations by such other person, and such person has reasonably discharged the duties and
42 obligations incumbent upon him **or her** by reason of such procedures and system without
43 reasonable cause to believe that such procedures and system were not being complied with;

44 (K) Has failed to pay the proper filing fee; but the commissioner may enter only a denial
45 order [under] **pursuant to** this clause, and he **or she** shall vacate any such order when the
46 deficiency has been corrected; or

47 (L) Has been denied the right to do business in the securities industry, or the person's
48 respective authority to do business in the securities industry has been revoked by any other state,
49 federal or foreign governmental agency or self-regulatory organization for cause, or is the subject
50 of a final order in a criminal action for securities or fraud related violations of the law of any
51 state, federal, or foreign governmental unit, or within the last ten years the person has been the
52 subject of a final order in a civil, injunctive or administrative action for securities or fraud related
53 violations of the law of any state, federal, or foreign governmental unit.

54
55 [An agent registered in Missouri transferring from one Missouri registered broker-dealer to
56 another Missouri registered broker-dealer shall automatically have a temporary permit to transact
57 securities business for one hundred twenty days following the date their application becomes
58 complete and nondeficient, unless the commissioner has issued an order of denial or summary
59 postponement under this section. The one hundred twenty- day temporary permit creates no
60 property right for the agent or the broker dealer. During the one hundred twenty-day temporary
61 permit the agent's application may be denied or summarily postponed under this section by the
62 commissioner; however, if no denial or postponement has been entered during the period of the
63 temporary permit, the agent will have a registration in Missouri. The commissioner shall have
64 one hundred twenty days from the date of an initial or renewal registration in which to issue a
65 revocation or suspension on the basis of a fact or transaction which was known to him when the

66 registration became effective.]

67 (b) The following provisions govern the application of section 409.204(a)(2)(I):

68 (1) The commissioner may not enter an order against a broker-dealer on the basis of the
69 lack of qualification of any person other than (A) the broker-dealer himself if he **or she** is an
70 individual or (B) an agent of the broker-dealer.

71 (2) The commissioner may not enter an order against an investment adviser on the basis
72 of the lack of qualification of any person other than (A) the investment adviser himself if he is
73 an individual or (B) an investment adviser representative.

74 (3) The commissioner may not enter an order solely on the basis of lack of experience
75 if the applicant or registrant is qualified by training or knowledge or both.

76 (4) The commissioner shall consider that an agent who will work under the supervision
77 of a registered broker-dealer need not have the same qualifications as a broker-dealer and that
78 an investment adviser representative who will work under the supervision of a registered
79 investment adviser need not have the same qualifications as an investment adviser.

80 (5) The commissioner shall consider that an investment adviser is not necessarily
81 qualified solely on the basis of experience as a broker-dealer or agent. When [he] **the**
82 **commissioner** finds that an applicant for initial or renewal registration as a broker-dealer is not
83 qualified as an investment adviser, [he] **the commissioner** may by order condition the applicant's
84 registration as a broker-dealer upon [his] **the applicant** not transacting business in this state as
85 an investment adviser.

86 (6) The commissioner may by rule provide for an examination, including an examination
87 developed or approved by an organization of securities administrators, which examination may
88 be written or oral or both, to be taken by any class of or all applicants, as well as persons who
89 represent or will represent an investment adviser in doing any of the acts which make him **or her**
90 an investment adviser; provided, however, that no examination may be required of any person
91 (1) who was registered as a broker-dealer or as an agent or who was a general partner or officer
92 of a registered broker-dealer January 1, 1968, and (2) who has been continuously registered
93 [under] **pursuant to** this law since that time. The commissioner may by rule or order waive the
94 examination requirement as to a person or class of persons if the commissioner determines that
95 the examination is not necessary for the protection of advisory clients.

96 (c) The commissioner may by order summarily postpone or suspend registration pending
97 final determination of any proceeding [under] **pursuant to** this section, including a proceeding
98 to determine the completeness of an application or where the commissioner is requesting
99 additional information regarding the application. Upon the entry of the order, the commissioner
100 shall promptly notify the applicant or registrant, as well as the employer or prospective employer
101 if the applicant or registrant is an agent or investment adviser representative, that it has been

entered and of the reasons therefor and that within fifteen days after the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the commissioner, the order will remain in effect until it is modified or vacated by the commissioner. If hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing, may modify or vacate the order or extend it until final determination.

(d) If the commissioner finds that any registrant or applicant for registration is no longer in existence or has ceased to do business as a broker-dealer, agent, investment adviser or investment adviser representative, or is subject to an adjudication of mental incompetence or to the control of a committee, conservator, or guardian, or cannot be located after reasonable search, the commissioner may by order cancel the registration or application.

(e) Withdrawal from registration as a broker-dealer, agent, investment adviser or investment adviser representative becomes effective thirty days after receipt of an application to withdraw or within such shorter period of time as the commissioner may determine, unless a revocation or suspension proceeding is pending when the application is filed or a proceeding to revoke or suspend or to impose conditions upon the withdrawal is instituted within thirty days after the application is filed. If a proceeding is pending or instituted, withdrawal becomes effective at such time and upon such conditions as the commissioner by order determines. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the commissioner may nevertheless institute a revocation or suspension proceeding [under] **pursuant to** section 409.204(a)(2)(B) within one year after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.

(f) (1) If a proceeding is instituted to revoke or suspend a registration of any agent, broker-dealer[or], investment adviser [under], **or investment adviser representative pursuant to** sections 409.101 to 409.419, the commissioner shall refer the case to the administrative hearing commission. The administrative hearing commission shall conduct hearings and make findings of fact and conclusions of law in such cases. The commissioner shall have the burden of proving a ground for suspension or revocation [under] **pursuant to** sections 409.101 to 409.419.

(2) The administrative hearing commission shall conduct hearings and make findings of fact and conclusions of law in those cases wherein a person files a petition with the commission, which petition states that the commissioner has denied any registration of any agent, broker-dealer or investment adviser [under] **pursuant to** sections 409.101 to 409.419.

(3) Upon receipt of a written complaint or petition filed pursuant to subsections (1) and (2) of this subsection (f), the administrative hearing commission shall cause a copy of the complaint or petition to be served upon the appropriate parties in person or by certified mail, together with a notice of the place of and date upon which the hearing on the complaint or

138 petition will be held.

139 (4) Hearing procedures, action by the commissioner in revoking, suspending or denying
140 any registration of any agent, broker-dealer or investment adviser hereunder, judicial review of
141 the decisions of the commissioner and of the administrative hearing commission, and all other
142 procedural matters hereunder shall be governed by the provisions of sections 621.015 to 621.193,
143 RSMo.

144 (g) **An agent or investment adviser representative registered in this state**
145 **transferring from one Missouri registered broker-dealer or investment adviser to another**
146 **Missouri registered broker-dealer or investment adviser shall automatically have a**
147 **temporary registration to transact securities business for thirty days following the date the**
148 **application becomes complete and nondeficient, unless the commissioner has withdrawn**
149 **the temporary registration or issued an order of denial or summary postponement**
150 **pursuant to this section. The thirty-day temporary registration creates no property right**
151 **for the agent, broker-dealer, investment adviser, or investment adviser's representative.**
152 **During the thirty-day temporary registration, the agent's or investment adviser's**
153 **application may be denied or summarily postponed by the commissioner pursuant to this**
154 **section; however, if no denial or postponement has been entered during the period of**
155 **temporary registration, the agent or investment adviser representative shall have a**
156 **registration in this state. However, the registration of the transferring agent or investment**
157 **adviser representative is immediately effective as of the date the new employment or**
158 **association began, if the application contains no new or amended disciplinary disclosure**
159 **within the preceding five years.**

160 (h) **The commissioner shall have one hundred twenty days from the date of an**
161 **initial or renewal registration in which to institute a proceeding to revoke or suspend a**
162 **registration of any agent, broker-dealer, investment adviser, or investment adviser**
163 **representative because of a fact or transaction that was known by the commissioner when**
164 **the registration became effective.**

409.402. (a) The following securities are exempted from sections 409.301 and 409.403:

2 (1) Any security (including a revenue obligation) issued or guaranteed by the United
3 States, any state, any political subdivision of a state, or any agency or corporate or other
4 instrumentality of one or more of the foregoing; or any certificate of deposit for any of the
5 foregoing;

6 (2) Any security issued or guaranteed by Canada, any Canadian province, any political
7 subdivision of any such province, any agency or corporate or other instrumentality of one or
8 more of the foregoing, or any other foreign government with which the United States currently
9 maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or

10 guarantor;

11 (3) Any security issued by and representing an interest in or a debt of, or guaranteed by,
12 any bank organized [under] **pursuant to** the laws of the United States, or any bank, savings
13 institution, or trust company organized and supervised [under] **pursuant to** the laws of any state;

14 (4) Any security issued by and representing an interest in or a debt of, or guaranteed by,
15 any federal savings and loan association, or any building and loan or similar association
16 organized [under] **pursuant to** the laws of any state and authorized to do business in this state;

17 (5) Any security issued by an agricultural cooperative corporation organized [under]
18 **pursuant to** the laws of this state and operated as an agricultural "cooperative association" if the
19 commissioner is notified in writing thirty days, or such shorter period of time as the
20 commissioner may by rule or order specify, before any such security is sold or offered for sale
21 other than in transactions exempted [under] **pursuant to** subsection (b) [hereof] **of this section**,
22 which notification shall contain the form of prospectus or other sales literature intended to be
23 used in connection with the offering of such security together with financial statements;

24 (6) Any security issued or guaranteed by any federal credit union or any credit union,
25 industrial loan association, or similar association organized and supervised [under] **pursuant to**
26 the laws of this state;

27 (7) Any security issued or guaranteed by any railroad, other common carrier, public
28 utility, or holding company which is (A) subject to the jurisdiction of the Interstate Commerce
29 Commission; (B) a registered holding company [under] **pursuant to** the Public Utility Holding
30 Company Act of 1935 or a subsidiary of such a company within the meaning of that act; (C)
31 regulated in respect of its rates and charges by a governmental authority of the United States or
32 any state; or (D) regulated in respect of the issuance or guarantee of the security by a
33 governmental authority of the United States, any state, Canada, or any Canadian province;

34 (8) Any security listed or approved for listing upon notice of issuance on the New York
35 Stock Exchange, the American Stock Exchange, or the Midwest Stock Exchange or any other
36 duly organized stock exchange approved by the commissioner by rule or order; any other security
37 of the same issuer which is of senior or substantially equal rank, any security called for by
38 subscription rights or warrants so listed or approved; or any warrant or right to purchase or
39 subscribe to any of the foregoing;

40 (9) Any security issued by any person organized and operated not for private profit but
41 exclusively for religious, educational, benevolent, charitable, fraternal, social, athletic, or
42 reformatory purposes, or as a chamber of commerce or trade or professional association if the
43 commissioner is notified in writing thirty days, or such shorter period of time as the
44 commissioner may by rule or order specify, before any such security is sold or offered for sale
45 other than in transactions exempted [under] **pursuant to** subsection (b) [hereof] **of this section**;

46 (10) Any commercial paper which arises out of a current transaction or the proceeds of
47 which have been or are to be used for current transactions, and which evidences an obligation
48 to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal
49 of such paper which is likewise limited, or any guarantee of such paper or of any such renewal;

50 (11) Any security offered, sold, issued, distributed or transferred in connection with an
51 employees' stock ownership, savings, pension, profit-sharing, stock bonus, or similar benefit plan
52 or trust (including a self-employed persons retirement plan), provided, in the case of plans or
53 trusts which are not qualified [under] **pursuant to** section 401 of the Internal Revenue Code of
54 1954 and which provide for contributions by employees, if the commissioner is notified in
55 writing thirty days before the inception of the plan or, with respect to plans which are in effect
56 on January 1, 1968, within sixty days thereafter (or within thirty days before they are reopened
57 if they are closed on January 1, 1968). The commissioner may for good cause shown accept
58 written notification at any time before the issuance of any such security in this state or any
59 security offered, sold, issued, distributed or transferred in connection with an employees' stock
60 purchase or stock option plan. In the case of issuers who do not have a class of securities
61 registered [under] **pursuant to** section 12 of the Securities Exchange Act of 1934 the
62 commissioner may for good cause shown accept notification in writing before the first issuance
63 of interests or participations under a stock purchase plan or before the first exercise of options
64 under a stock option plan.

65 (b) The following transactions are exempted from sections 409.301 and 409.403 except
66 that no transaction in a certificate of interest or participation, including a limited partnership
67 interest, in an oil, gas or mining title or lease, or in payments out of production or under such a
68 title or lease shall be so exempted:

69 (1) Any isolated nonissuer transaction, whether effected through a broker-dealer or not;

70 (2) Any nonissuer distribution of an outstanding security if (A) a recognized securities
71 manual contains the names of the issuer's officers and directors, a balance sheet of the issuer as
72 of a date within eighteen months, and a profit and loss statement for either the fiscal year
73 preceding that date or the most recent year of operations, or (B) the security has a fixed maturity
74 or a fixed interest or dividend provision and there has been no default during the current fiscal
75 year or within the three preceding fiscal years, or during the existence of the issuer and any
76 predecessors if less than three years, in the payment of principal, interest, or dividends on the
77 security;

78 (3) Any nonissuer transaction effected by or through a registered broker-dealer pursuant
79 to an unsolicited order to buy if the broker-dealer acts as agent for the purchaser and receives no
80 commission or other compensation from any source other than the purchase; but the
81 commissioner may by rule require that the purchaser acknowledge upon a specified form that his

82 **or her** order to buy was unsolicited, and that a signed copy of each such form be preserved by
83 the broker-dealer for a specified period;

84 (4) Any transaction between the issuer or other person on whose behalf the offering is
85 made and an underwriter, or among underwriters;

86 (5) Any transaction in a bond or other evidence of indebtedness secured by a real or
87 chattel mortgage or deed of trust, or by an agreement for the sale of real estate or chattels, if the
88 entire mortgage, deed of trust, or agreement, together with all the bonds or other evidences of
89 indebtedness secured thereby, is offered and sold as a unit;

90 (6) Any transaction by an executor, administrator, sheriff, marshal, receiver, trustee in
91 bankruptcy, guardian, or conservator;

92 (7) Any transaction executed by a bona fide pledgee without any purpose of evading this
93 act;

94 (8) Any offer or sale to a bank, savings institution, trust company, insurance company,
95 investment company as defined in the Investment Company Act of 1940, pension or
96 profitsharing trust, or other financial institution or institutional buyer, or to a broker-dealer,
97 whether the purchaser is acting for itself or in some fiduciary capacity;

98 (9) Any transaction by an issuer in a security of its own issue if immediately thereafter
99 the total number of persons who are known to the issuer to have any direct or indirect record or
100 beneficial interest in any of its securities (but not including persons with whom transactions have
101 been exempted by paragraph (8) of this subsection) does not exceed twenty-five and if no
102 commission or other remuneration is paid or given to anyone for procuring or soliciting the
103 transaction;

104 (10) Any transaction by an issuer in a security of its own issue if (A) during the twelve
105 months' period ending immediately after such transaction the issuer will have made no more than
106 fifteen transactions exempted by this paragraph (other than transactions also exempted by
107 paragraphs (8) and (9), and (B) the issuer reasonably believes that the buyer is purchasing for
108 investment and the buyer so represents in writing and (C) no commission or other remuneration
109 is paid or given to anyone for procuring or soliciting the sale; but the commissioner may by rule
110 or order, as to any security or transaction or any type of security or transaction, withdraw or
111 further condition this exemption, or increase or decrease the number of prior transactions
112 permitted by clause (A) or waive the conditions in clauses (B) or (C) with or without the
113 substitution of a limitation on remuneration;

114 (11) Any transaction pursuant to an offer to existing security holders of the issuer,
115 including persons who at the time of the transaction are holders of convertible securities,
116 nontransferable warrants, or transferable warrants exercisable within not more than ninety days
117 of their issuance, if (A) no commission or other remuneration (other than a standby commission)

118 is paid or given directly or indirectly for soliciting any security holder in this state, or (B) the
119 issuer first files a notice specifying the terms of the offer and the commissioner does not by order
120 disallow the exemption within the next five full business days;

121 (12) Any offer (but not a sale) of a security for which registration statements have been
122 filed [under] **pursuant to** both this act and the Securities Act of 1933 if no stop order or refusal
123 order is in effect and no public proceeding or examination looking toward such an order is
124 pending [under] **pursuant to** either act;

125 (13) Any nonissuer transaction by a person who does not control, or who is not
126 controlled by or under common control with, the issuer in a security which has been (and
127 securities which are of the same class as securities of the same issuer which have been) either
128 registered for sale [under] **pursuant to** the laws of this state regulating the sale of securities or
129 lawfully sold in this state as a security exempt from such registration;

130 (14) Any nonissuer transaction in a security which at the time of such transaction would
131 be eligible for registration by notification;

132 (15) Any nonissuer transaction by a person who does not control, and is not controlled
133 by or under common control with, the issuer if (i) the transaction is at a price reasonably related
134 to the current market price, and (ii) the security is registered with the Securities and Exchange
135 Commission [under] **pursuant to** section 12 of the Securities Exchange Act of 1934 and the
136 issuer files reports with the Securities and Exchange Commission pursuant to section 13 of that
137 act;

138 (16) Any patronage distributions of an agricultural cooperative corporation received by
139 a patron or member in the form of capital stock, revolving fund certificate, retain certificate,
140 certificate of indebtedness, letter of advice, or other written notice.

141 (c) The commissioner may by rule or order exempt from sections 409.301 and 409.403
142 any other transaction not exempted in subsection (b), and may by order withdraw or condition
143 the exemption as [he] **the commissioner** deems necessary in the public interest.

144 (d) The commissioner may by order deny or revoke any exemption specified in clause
145 (9) or (11) of subsection (a) or in subsection (b) with respect to a specific security or transaction.
146 No such order may be entered without appropriate prior notice to all interested parties,
147 opportunity for hearing, and written findings of fact and conclusions of law, except that the
148 commissioner may by order summarily deny or revoke any of the specified exemptions pending
149 final determination of any proceeding [under] **pursuant to** this subsection. Upon the entry of
150 a summary order, the commissioner shall promptly notify all interested parties that it has been
151 entered and of the reasons therefor and that within fifteen days of the receipt of a written request
152 the matter will be set down for hearing. If no hearing is requested and none is ordered by the
153 commissioner the order will remain in effect until it is modified or vacated by the commissioner.

154 If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing
155 to all interested persons, may modify or vacate the order or extend it until final determination.
156 No order [under] **pursuant to** this subsection may operate retroactively. No person may be
157 considered to have violated section 409.301 or 409.403 by reason of any offer or sale effected
158 after the entry of an order [under] **pursuant to** this subsection if he **or she** sustains the burden
159 of proof that he **or she** did not know, and in the exercise of reasonable care could not have
160 known, of the order.

161 (e) The commissioner may by order after a hearing deny or revoke any exemption for
162 a security issued by an agricultural cooperative corporation not qualifying [under] **pursuant to**
163 clause (5) of subsection (a).

164 (f) In any proceeding [under] **pursuant to** this act, the burden of proving an exemption,
165 **qualification as a federal covered security**, or an exception from a definition is upon the
166 person claiming it.

167 (g) A person required to file for an exemption [under] **pursuant to** this section shall pay
168 a fee not to exceed one hundred dollars.

454.516. 1. The director or IV-D agency may cause a lien pursuant to subsection 2 of
2 this section or the obligee may cause a lien pursuant to subsection [9] **8** of this section for unpaid
3 and delinquent child support to [be placed upon] **block the issuance of a certificate of**
4 **ownership for** motor vehicles, motor boats, outboard motors, manufactured homes and trailers
5 that are registered in the name of a delinquent child support obligor[, if the title to the property
6 is held by a lienholder].

7 2. The director or IV-D agency shall notify the department of revenue with the required
8 information necessary to impose a lien pursuant to this section by filing a notice of lien, and the
9 department of revenue shall notify the lienholder of the existence of such lien.

10 3. The department of revenue shall not register the lien unless:

11 (1) The director of revenue or the director's designee determines that the obligor has
12 unpaid child support which exceeds one thousand dollars;

13 (2) The property has a value of more than three thousand dollars as determined by
14 current industry publications that provide such estimates to dealers in the business, and the
15 property's year of manufacture is within seven years of the date of filing of the lien except in the
16 case of a motor vehicle that has been designated a historic vehicle;

17 (3) The property has no more than two existing liens for child support;

18 (4) The property has had no more than three prior liens for child support in the same
19 calendar year.

20 4. In the event that a lien is placed and the obligor's total support obligation is
21 eliminated, the director shall notify the department of revenue that the lien shall be removed.

22 5. Upon notification by the director that a lien exists pursuant to this section, the
23 department of revenue shall [send a sticker of impaired title in an envelope which says
24 prominently "important legal document" to the lienholder] **register the lien on the records of**
25 **the department of revenue**. Such [sticker] **registration** shall contain the type and model of the
26 property, the serial number of the property and the identification number of the obligor [and shall
27 be properly affixed to the certificate of title by the lienholder].

28 6. Upon notification by the director that the lien shall be removed pursuant to subsection
29 4 of this section, the department of revenue shall [send a void sticker to the lienholder and such
30 void sticker shall be properly affixed to the certificate of title by the lienholder covering the
31 impaired title sticker. Such sticker] **register such removal of lien on its datebank, that** shall
32 contain the type and model of the property, the serial number of the property and the
33 identification number of the obligor.

34 7. When [a lienholder] **the department of revenue** has received notice of a lien created
35 by the division or IV-D agency pursuant to this section and the obligor thereafter satisfies the
36 debt to that lienholder, the [lienholder] **department of revenue** shall mail to the division or
37 IV-D agency the [certificate of ownership] **satisfaction of lien or encumbrance in the form**
38 **required by the department of revenue** on the motor vehicle, motor boat, outboard motor,
39 manufactured home or trailer. The division or IV-D agency may hold [the certificate of
40 ownership] **such satisfaction** until the child support obligation is satisfied, or levy and execute
41 on the motor vehicle, motor boat, outboard motor, manufactured home or trailer and sell same,
42 at public sale, in order to satisfy the debt. [A lienholder shall inform dealers in the business of
43 motor vehicles, motor boats, manufactured homes and trailers, upon request, of the existence or
44 nonexistence of a lien imposed by the division pursuant to this section.]

45 8. [A good faith purchaser for value without notice of the lien or a lender without notice
46 of the lien takes free of the lien.

47 9.] In cases which are not IV-D cases, to cause a lien pursuant to the provisions of this
48 section the obligee or the obligee's attorney shall file notice of the lien with the [lienholder or
49 payor] **department of revenue**. This notice shall have attached a certified copy of the court
50 order with all modifications and a sworn statement by the obligee or a certified statement from
51 the court attesting to or certifying the amount of arrearages.

52 **9. Notwithstanding any other law to the contrary, the department of revenue shall**
53 **maintain a child support lien database that may be collected against the owner on a**
54 **certificate of ownership provided for by chapters 301, 306, and 700, RSMo. To determine**
55 **any existing liens for child support pursuant to this section, the lienholder, dealer, or buyer**
56 **may inquire electronically into the database.**

525.070. Whenever any property, effects, money or debts, belonging or owing to the

2 defendant, shall be confessed, or found by the court or jury, to be in the hands of the garnishee,
3 [he] **the garnishee** may, at any time before final judgment, discharge himself, by paying or
4 delivering the same, or so much thereof as the court shall order, to the sheriff **or to the court**,
5 from all further liability on account of the property, money or debts so paid or delivered.

700.350. 1. As used in sections 700.350 to 700.390, the term "manufactured home" shall
2 have the same meanings given it in section 700.010 **or section 400.9-102(a)(53), RSMo.**

3 2. Unless excepted by section 700.375, a lien or encumbrance on a manufactured home
4 shall not be valid against subsequent transferees or lienholders of the manufactured home who
5 took without knowledge of the lien or encumbrance unless the lien or encumbrance is perfected
6 as provided in sections 700.350 to 700.380.

7 3. A lien or encumbrance on a manufactured home is perfected by the delivery to the
8 director of revenue, by the owner, of the existing certificate of ownership, if any, an application
9 for a certificate of ownership containing the name and address of the lienholder and the date of
10 his security agreement, and the required certificate of ownership fee. Such lien or encumbrance
11 shall be perfected as of the time of its creation if the delivery of the items required in this
12 subsection to the director of revenue is completed within thirty days thereafter, otherwise such
13 lien or encumbrance shall be perfected as of the time of the delivery. Liens may secure future
14 advances. The future advances may be evidenced by one or more notes or other documents
15 evidencing indebtedness and shall not be required to be executed or delivered prior to the date
16 of the lien securing them. The fact that a lien may secure future advances shall be clearly stated
17 on the security agreement and noted as "subject to future advances" in the second lienholder's
18 portion of the title application and noted on the certificate of ownership if the motor vehicle or
19 trailer is subject to only one lien.

20 4. Whether a manufactured home is subject to a lien or encumbrance shall be determined
21 by the laws of the jurisdiction where the manufactured home was when the lien or encumbrance
22 attached, subject to the following:

23 (1) If the parties understood at the time the lien or encumbrances attached that the
24 manufactured home would be kept in this state and it is brought into this state within thirty days
25 thereafter for purposes other than transportation through this state, the validity and effect of the
26 lien or encumbrance in this state shall be determined by the laws of this state;

27 (2) If the lien or encumbrance was perfected under the laws of the jurisdiction where the
28 manufactured home was when the lien or encumbrance attached, the following rules apply:

29 (a) If the name of the lienholder is shown on an existing certificate of title or ownership
30 issued by that jurisdiction, his lien or encumbrance continues perfected in this state;

31 (b) If the name of the lienholder is not shown on an existing certificate of title or
32 ownership issued by the jurisdiction, the lien or encumbrance continues perfected in this state

33 for three months after the first certificate of title of the manufactured home is issued in this state,
34 and also thereafter if, within the three-month period, it is perfected in this state. The lien or
35 encumbrance may also be perfected in this state after the expiration of the three-month period,
36 in which case perfection dates from the time of perfection in this state;

37 (3) If the lien or encumbrance was not perfected under the laws of the jurisdiction where
38 the manufactured home was when the lien or encumbrance attached, it may be perfected in this
39 state, in which case perfection dates from the time of perfection in this state;

40 (4) A lien or encumbrance may be perfected under paragraph (b) of subdivision (2) or
41 subdivision (3) of this subsection in the same manner as provided in subsection 3 of this section.

42 **5. All transactions involving liens or encumbrances on manufactured homes**
43 **perfected pursuant to sections 700.350 to 700.390 after June 30, 2001, and before August**
44 **28, 2002, and the rights, duties, and interests flowing from them are and shall remain valid**
45 **thereafter and may be terminated, completed, consummated, or enforced as required or**
46 **permitted by section 400.9-303, RSMo, or section 700.350. The changes in section 400.9-**
47 **303, RSMo, and section 700.350 made through the provisions of this act are remedial and**
48 **should be given that construction.**

49 **6. On new sales of a manufactured home, if the title to said home is not provided**
50 **within thirty days of delivery of the home, then the sale of said home shall be voidable by**
51 **the purchaser from the beginning.**

700.355. [All certificates of title to a manufactured home issued by the director of
2 revenue shall be mailed or otherwise delivered to the first lienholder named in such certificate
3 or, if no lienholder is named, to the owner named therein.] **1. A certificate of title to the**
4 **manufactured home when issued by the director of revenue shall be mailed or confirmation**
5 **of such title shall be electronically transmitted or mailed to the owner shown on the face**
6 **of the title of such manufactured home. Provided the lienholder submits complete and**
7 **legible documents, the director of revenue shall mail confirmation or electronically confirm**
8 **receipt of each notice of lien to the lienholder as soon as possible, but no later than seven**
9 **business days after the filing of the notice of lien.**

10 **2. A lienholder may elect that the director of revenue retain possession of an**
11 **electronic certificate of title, and the director shall issue regulations to cover the procedure**
12 **by which such election is made. Each such certificate of title shall require a separate**
13 **election, unless the director provides otherwise by regulation. A subordinate lienholder**
14 **shall be bound by the election of the superior lienholder with respect to the certificate**
15 **involved.**

16 **3. "Electronic certificate of ownership" means any electronic record of title,**
17 **including a lien or liens that may be recorded.**

700.360. If an owner creates a lien or encumbrance on a manufactured home:

2 (1) The owner shall immediately execute the application, either in the space provided
3 therefor on the certificate of title or on a separate form the director of revenue prescribes, to
4 name the lienholder on the certificate of title, showing the name and address of the lienholder
5 and the date of his security agreement, and shall cause the certificate of title, the application and
6 the required fee to be mailed or delivered to the director of revenue. Failure of the owner to do
7 so, **including naming the lienholder in such application**, is a class A misdemeanor;

8 (2) [Upon request of the owner or subordinate lienholder, a lienholder in possession of
9 the certificate of title who receives the owner's application and required fee shall mail or deliver
10 the certificate of title, application, and fee to the director of revenue. The delivery of the
11 certificate of title to the director of revenue shall not affect the rights of the first lienholder under
12 his security agreement;

13 (3) Upon receipt of the certificate of title, application and the required fee, the director
14 of revenue shall issue a new certificate of title containing the name and address of the new
15 lienholder, and mail the certificate of title to the first lienholder named in it.] **The lienholder or**
16 **an authorized agent licensed pursuant to sections 301.112 to 301.119, RSMo, shall deliver**
17 **to the director of revenue a notice of lien as prescribed by the director accompanied by all**
18 **other necessary documentation to perfect a lien as provided in this section;**

19 (3) **To perfect a lien for a subordinate lienholder when a transfer of ownership**
20 **occurs, the subordinate lienholder shall either mail or deliver or cause to be mailed or**
21 **delivered, a completed notice of lien to the department of revenue, accompanied by**
22 **authorization from the first lienholder. The owner shall ensure the subordinate lienholder**
23 **is recorded on the application for title at the time the application is made to the department**
24 **of revenue. To perfect a lien for a subordinate lienholder when there is no transfer of**
25 **ownership, the owner or lienholder in possession of the certificate, shall either mail or**
26 **deliver or cause to be mailed or delivered, the owner's application for title, certificate,**
27 **notice of lien, authorization from the first lienholder and title fee to the department of**
28 **revenue. The delivery of the certificate and executing a notice of authorization to add a**
29 **subordinate lien does not affect the rights of the first lienholder under the security**
30 **agreement;**

31 (4) **Upon receipt of the documents and fee required in subdivision (3) of this section,**
32 **the director of revenue shall issue a new certificate of ownership containing the name and**
33 **address of the new lienholder, and shall mail the certificate as prescribed in section**
34 **700.355, or if a lienholder who has elected for the director of revenue to retain possession**
35 **of an electronic certificate of ownership the lienholder shall either mail or deliver to the**
36 **director a notice of authorization for the director to add a subordinate lienholder to the**

37 **existing certificate. Upon receipt of such authorization, a notice of lien and required**
38 **documents and title fee, if applicable, from a subordinate lienholder, the director shall add**
39 **the subordinate lienholder to the certificate of ownership being electronically retained by**
40 **the director and provide confirmation of the addition to both lienholders.**

700.370. [1.] Upon the satisfaction of a lien or encumbrance on a manufactured home
2 [for which the certificate of title is in the possession of the lienholder], the lienholder shall,
3 within ten days after demand, [and, in any event, within thirty days, execute a] release [of his]
4 **the lien or encumbrance on the certificate or a separate document**, and mail or deliver the
5 certificate [and release to the next lienholder named therein, or, if no other lienholder is so
6 named] **or separate document**, to the owner or any person who delivers to the lienholder an
7 authorization from the owner to receive the certificate **or separate document. Each perfected**
8 **subordinate lienholder, if any, shall release such lien or encumbrance as provided in this**
9 **section for the first lienholder. The release on the certificate or separate document shall**
10 **be notarized.** The owner may cause the certificate of title, the release, and the required fee to
11 be mailed or delivered to the director of revenue, who shall release the lienholder's rights on the
12 certificate and issue a new certificate of title.

13 [2. Upon the satisfaction of a second or third lien or encumbrance on a manufactured
14 home for which the certificate of title is in the possession of the first lienholder, the lienholder
15 whose lien or encumbrance is satisfied shall, within ten days after demand, and, in any event,
16 within thirty days, execute a release and deliver the release to the owner or any person who
17 delivers to the lienholder an authorization from the owner to receive it. The lienholder in
18 possession of the certificate of title shall, at the request of the owner and upon receipt of the
19 release and the required fee, either mail or deliver the certificate, the release, and the required
20 fee to the director of revenue, or deliver the certificate of title to the owner, or the person
21 authorized by him, for delivery of the certificate, the release and required fee to the director of
22 revenue, who shall release the subordinate lienholder's rights on the certificate of title and issue
23 a new certificate of title.]

700.380. All transactions involving liens or encumbrances on manufactured homes
2 entered into before [December 31, 1985] **August 28, 2002**, and the rights, duties, and interests
3 flowing from such transactions shall remain valid [after December 31, 1985] **thereafter**, and
4 may be terminated, completed, consummated, or enforced as required or permitted by any statute
5 or other law amended or repealed by sections 700.350 to 700.380 as though such repeal or
6 amendment had not occurred.

Section B. The repeal and reenactment of section 375.018, as originally enacted by house
2 committee substitute for senate substitute for senate bill no. 193, ninety-first general assembly,
3 first regular session, shall become effective January 1, 2003.

Section C. The repeal and reenactment of sections 301.600, 301.610, 301.620, 301.630,
2 301.640, 301.660, 306.400, 306.405, 306.410, 306.415, 306.420, 306.430, 306.440, 454.516,
3 700.355, 700.360, 700.370, and 700.380 of section A of this act shall become effective July 1,
4 2003.